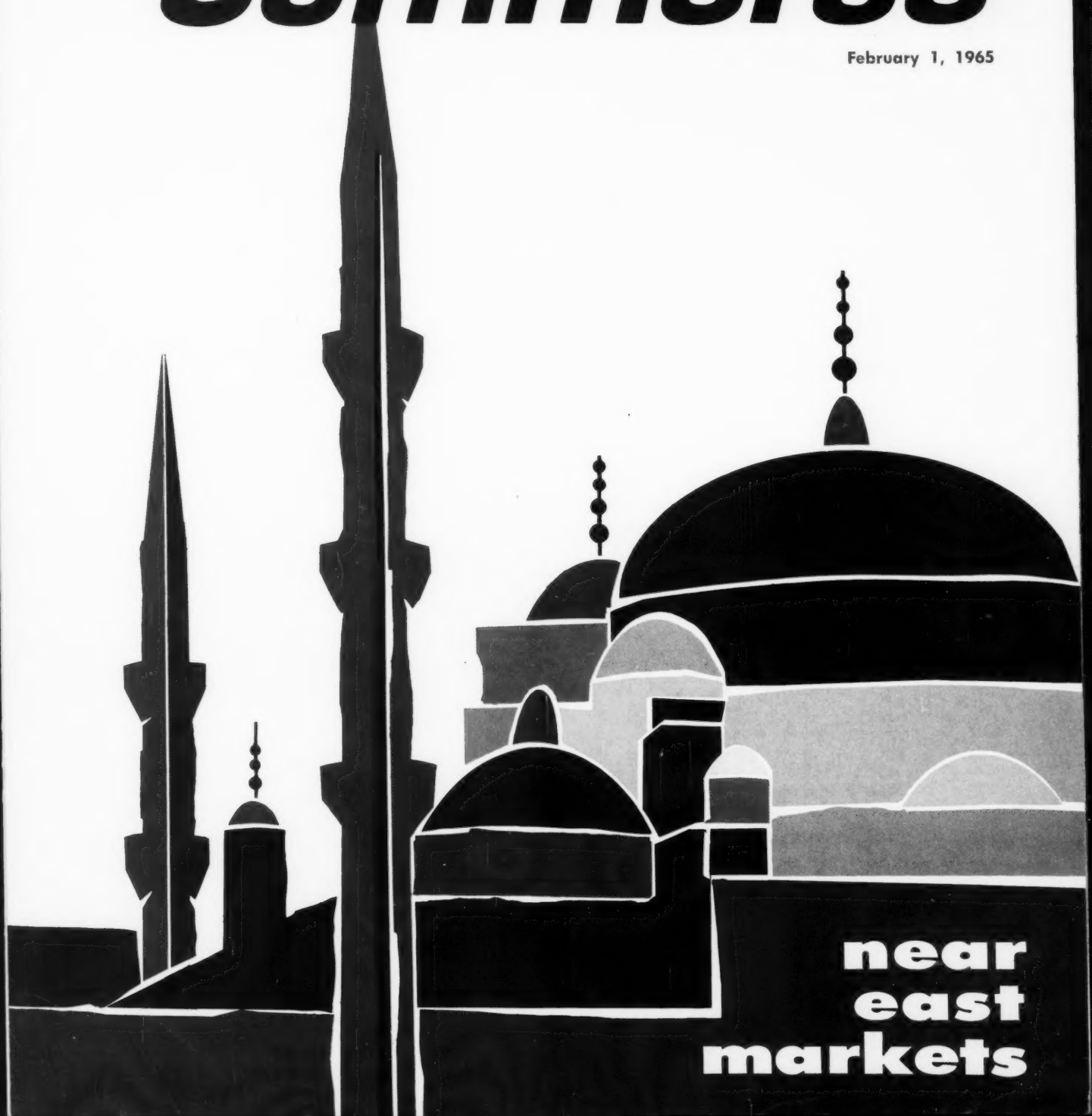
A U.S. DEPARTMENT OF COMMERCE WEEKLY

International Commerce

February 1, 1965



near east markets

Business Bulletins *from around the world*

IRAN—National Iranian Oil Co. announces names of five international oil groups as winners of Persian Gulf, District I offshore concessions. Three of five winning groups composed entirely or partially of U.S. companies. U.S. winners were group consisting of Atlantic, Sun Oil, Union Oil and Murphy; group including Tidewater, Skelly, Superior, Sunray DX, and Kerr-McGee; Phillips which participated in group with AGIP and Indian Petroleum and Gas Commission. Other winners were Shell and French combine.

IRAQ—Economic Planning Board studies proposals for establishment of liquid gas plant in Baghdad vicinity. Tender documents for plant expected to be announced in May.

Oil Administration Board to establish plant for production of liquid gas cylinders. Plant would cost estimated $154,000; to have annual capacity of 60,000 cylinders.

Newly-announced five-year plan covering years 1965-69 to cost $2,296 million, $1,540 million of which will be in public sector. Plan, which aims to raise annual rate of growth from 6½ to 8% and double national income in nine years, gives priority to agriculture, industry, electric power, followed by communications, buildings, housing.

ISRAEL—Urban, wage earning family enjoyed average gross income of $221 per month ($2,652 annually) during 1964. Government survey, based on sampling of 1600 families, revealed that poorest 10% accounted for 3% of income; top 10% received 23-24% of income. More than half the urban wage earners had more than $166 per month, 30% more than $233 per month, and 13% more than $333 per month.

New $8 million Hilton hotel in Tel Aviv nears completion; scheduled to open sometime this summer. Begun in March 1963, skeleton of hotel completed and within few weeks some of 14 guest room floors to be handed over to interior decorators. Hotel to feature 1,000 seat convention hall, 446 guest rooms, penthouse night club, telephone system to permit guests to dial outside calls directly from rooms.

JORDAN—Construction begins on woolen weaving mill in Amman. Equipment totaling $350,000 ordered from United Kingdom. Production, using imported yarn, expected to start in 1966 under British supervision.

LEBANON—General wage increase to meet rising costs-of-living reportedly recommended by interministerial committee. If approved by Council of Ministers and ratified by Parliament, minimum wage to increase from $41.66 to $48.33 per month, with increases for Government workers varying from 7-10%; in private sector, 8% for those making less than $233 per month and 7% for those earning over $233 per month.

Official rate of U.S. dollar here raised from L£2.21 to L£3.08 bringing it up to free market rate. At same time, in order that action not lead to increase in import taxes, duties assessed on amounts stated in foreign exchange, ad valorem tariff rates reduced across board.

MALAYSIA—Central Bank raises maximum rate of interest payable by commercial banks on fixed deposits from 4% to 5% a year. Bank's minimum lending rate raised from 6¼% to 7% a year. Stated reasons for rise were desire to curb expansion of bank credit in view of substantial increase in government expenditures, to stay in line with rising trend in interest rates in international money markets. Average lending rate charged by local banks probably will rise from current 9% to 9½% or more.

NETHERLANDS—Ellicott Machine Corp., Baltimore, sets up subsidiary, Ellicott Nederland N.V., in Amsterdam for production of dredging equipment.

January-November 1964 imports totaled $6.4 billion, 19% over like period 1963.

Government bill proposes authorizing municipalities to use voting machines.

SWITZERLAND—Imports of non-consumer electronics and components from U.S. more than doubled during first three quarters 1964. Particularly good prospects seen for U.S. tantalum capacitators, multiturn potentiometers, wirewound precision resistors, variable and hi-megohm resistors.

SYRIA—Syrian Arab Airlines (SAA) plans to purchase two jet passenger aircraft. Negotiations with major aircraft manufacturers now underway. SAA also anticipates inauguration of new routes to New Delhi, Tehran this year.

TURKEY—Import program for first half 1965 estimates total imports for year at $665 million, of which 44% will be in investment goods, 44% in raw materials, 12% allocated to consumer goods. No changes made (from last program) regarding advance and guarantee payments; some items including chemical fertilizers, printing inks, high carbon alloy stocks shifted from Quota List to Liberalized List. Izmir Fair Quota ($10 million) included in first half-year program.

First products from Eregli Steel Mill, hot-rolled sheets, reportedly reached Istanbul market. Company, managed by Koppers of U.S., to gradually bring different units of plant into production. Output expected to reach 1 million tons of steel products by 1968.

Two recently signed U.S. loans totaling $21.5 million to assist economic development. One loan, $20.4 million, to be used to construct new Gokcekaya Dam and hydroelectric power station on Sakarya River. Powerhouse to have installed capacity of 300,000 kilowatts. Foreign exchange costs of 1 million-ton capacity coal washing system at Tuncbilek subbituminous lignite mines to be met by other loan of $1.1 million.

UNITED ARAB REPUBLIC (Egypt)—Crude oil production amounted to 6.2 million cubic meters in 1963 and 3.5 million cubic meters for first six months 1964.

New deepwater pier opened in Port Said. For first time in port's history, ocean-going vessels can off-load directly onto pier.

Suez Canal revenues reportedly totaled $179.1 million in 1964 compared to $164 million in 1963.

U.S. Department of Commerce

John T. Connor
Secretary

Thomas G. Wyman
Assistant Secretary for Domestic and International Business

Eugene M. Braderman
Director, Bureau of International Commerce

George Donat
Administrator, Business and Defense Services Administration

Frederic S. Otis
Managing Editor

America A. W. Favale
Director of Graphics

Annual subscription $16.00 ($5.00 additional for foreign mailing). Single copy 35 cents. Domestic subscribers desiring airmail service must remit $22.00 additional for postage. Make remittance payable to the Superintendent of Documents and mail either to any Department Field Office or to the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C., 20402. Address changes should be sent to the Superintendent of Documents.

Address correspondence concerning editorial content to: The Editor, International Commerce, U.S. Department of Commerce, Washington, D.C. 20230.

Expressions herein from private sources are meant to stimulate thought toward the solution of problems confronting the international businessman and to provide constructive suggestions, but they are personal opinions. Contents of this publication are not copyrighted unless so indicated. Noncopyrighted materials may be reprinted freely. Mention of source will be appreciated. Use of funds for printing this publication approved by the Director of the Bureau of the Budget on May 24, 1961.

the cover

An area as vast as the Near East is difficult to graphically portray. Our cover artist has done it by capturing the flavor of a minaret-studded skyline. To most of us, this indicates the area that our writers—commercial officers overseas and country experts in the Department—have reported on in great detail in this issue.

We think this report on these often overlooked markets will be most valuable to the U.S. business community. We present, in this issue, a picture of one of today's great sales opportunities. The challenge of this market is worthy of top level consideration in most board rooms.

International Commerce

Published by BUREAU OF INTERNATIONAL COMMERCE

February 1, 1965 Volume 71, Number 5

On-the-spot reports from Markets in the Near East

U.A.R. page 10 Lebanon page 18
Turkey 13 Kuwait 20
Israel 15 Iraq 22
Iran 16 Gulf States 24
Saudi Arabia page 29

ADDITIONAL NEAR EAST REPORTS: Today's great sales opportunity—page 2; A multimillion dollar market—page 4; Government sales are big sales—page 6; Oil field equipment needed—page 12; Commerce publications available on Near East—page 17; Near East tips for businessmen—page 26; Room for more farm machines—page 31; Sample Display show in Beirut—page 34.

FEATURES

38 Neil Hurley attends church with the President, reports on solemn reverence of inauguration and promises column on White House conference

39 Reading Railroad discusses plan to boost own business by boosting customers' export sales; agents from all parts of U.S. hear about it in Philadelphia

TRADE FAIRS AND CENTERS

34 Sample Display Service in operation in Beirut, Manila, Bangkok; market door in Nairobi to open soon; showrooms open to U.S. manufacturers free of charge

WORLDWIDE BUSINESS OUTLOOK

41 Author of New Business Report tells of broader, richer consumer market in the Netherlands; rise in Dutch incomes factor in distribution pattern change

FOREIGN GOVERNMENT ACTIONS

46 Panama approves income tax law to modify existing code; capital gains on property sales now taxable; measure fills major objective of Alliance

U.S. GOVERNMENT ACTIONS

50 Electric power in Rio de Janeiro region to be boosted with help of $20.4 million Alliance for Progress loan; hydroelectric complex to be expanded

INVESTMENT OPPORTUNITIES

51 Japanese experts survey East Pakistan, cite opportunity for plant to manufacture outboard motors; other countries seek licenses

WORLD TRADE OPPORTUNITIES

52 Several projects opened
53 Leads for exporters
57 International representation
58 Leads for importers
58 Visiting buyers and officials
59 Construction projects

New Books and Reports, page 60

SILHOUETTED AGAINST THE SUN, Arabs in flowing robes watch a U.S.-made cargo plane take to the air from Near Eastern airstrip. Left, construction crew lays 16-inch pipe at Safiniya oil field in Saudi Arabia.

Near East offers opportunities

Rewards are great in complex, ever-changing market commonly marked by a push for economic development

By D. A. KEARNS-PRESTON
Director
Near East-South Asia Division, BIC

The Near East offers the U.S. businessman one of today's great sales opportunities and challenges—one which can pay off not only in on-the-spot sales but more importantly in lasting commercial relationships.

It is a complex and ever-changing market, with a diversity of peoples, cultures, institutions, resources and needs requiring close attention, determination, patience and flexibility of approach.

Yet U.S. exports of about $1 billion in 1964 indicate that the rewards can be great.

There's oil

In many of the Near East countries—Iran, Saudi Arabia, Kuwait, Iraq, Qatar—oil plays a key role in the economy. The oil industry is the largest, providing jobs, skills and income for thousands of workers. Oil revenues pay for imports in readily available hard currency—and oil revenues are going up.

Not all the Near East is oil-rich. The incomes of Jordan and Turkey, for instance, are derived from exports of other commodities and from tourism. Egypt has these and revenues from the Suez Canal. In all three countries, income is supplemented by outside help, including U.S. aid and sales of surplus U.S. agricultural commodities.

Israel's economy has been boosted by various forms of assistance including U.S. aid, West German reparation and restitution payments, and by corporate or individual contributions and investments.

Lebanon, the banker of the Near East, successfully depends very largely upon invisibles—tourism, emigrant remittances, oil capital transfers and middle-man fees—to overcome its lopsidedly unfavorable merchandise trade balance.

One factor of common importance to these countries is the push for economic development. The peoples of Biblical

lands no longer are willing to live on the glories of history.

Almost every country has, or is in the process of drawing up, a program for developing its human and economic resources. Huge sums of money will be spent on numberless projects in the years immediately ahead.

Governments recognize that they must move with the times if they are to survive. This calls not only for industrial development but for improvement in agriculture, transportation, communications, power, schools, hospitals and public services.

Almost daily, announcement is made of a multimillion-dollar project that has moved to the contract stage. Not only capital goods but the services of engineers, technicians and supervisors will be needed.

U.S. companies are conducting feasibility studies, making surveys, advising on techniques, building plants and providing machinery and equipment. Nevertheless, they are losing out on many development projects.

For the future

As development programs come to fruition, increased living standards and individual purchasing power will create a significantly greater market for consumer goods, which now are frequently restricted or banned as unessential in order to conserve dollars for development.

Even now, however, several Near Eastern countries offer good markets for consumer items. Lebanon, Kuwait and Saudi Arabia import foodstuffs and a wide range of durables and luxury items. Skis sell in Lebanon, outboard motors in Kuwait and snorkel equipment in Saudi Arabia.

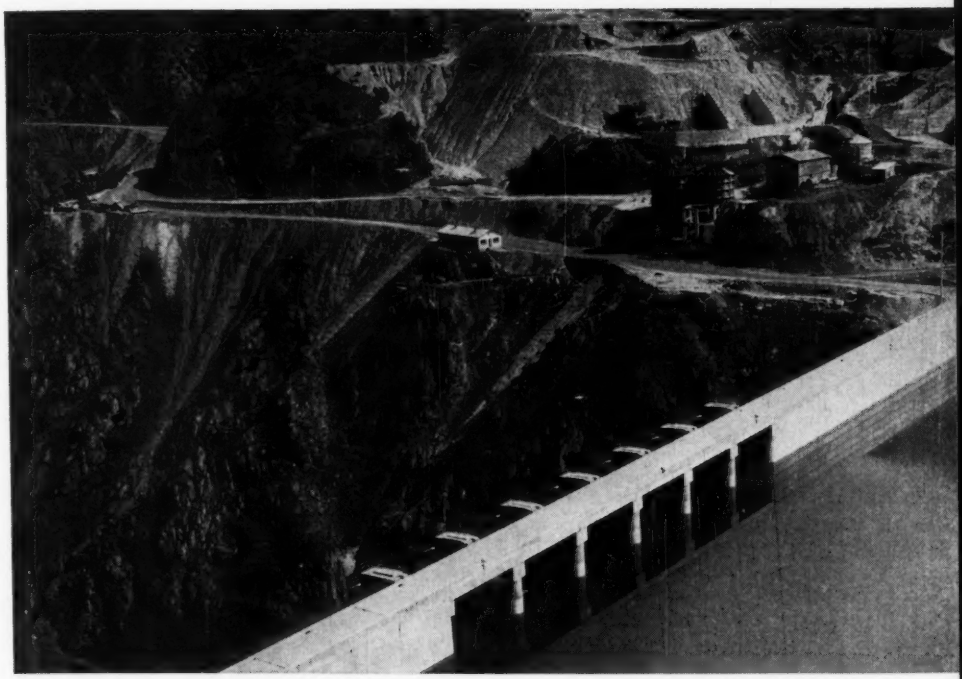
More and better contacts between U.S. exporters and private and government buyers are the best means of increasing exports. In these days of jet travel, Beirut is only three hours from Rome and offers excellent accommodations—as do other important centers of the area.

The U.S. exporter's most successful competitors visit the area often, travel to remote cities and spend time cultivating friendships. Such relationships are traditional and highly valued by businessmen in the area.

What doesn't change

Changes in governments in the Near East have received much publicity. What has not been publicized is that, as a rule, business does not stop. In practice, sales contracts signed under one government almost invariably have been honored by the succeeding government.

The trend to nationalization of industry and trade in the area—for example in the UAR, Iraq and Syria—has led some U.S. firms to the conclusion that they are excluded from the market.



TURKEY'S SARIYAR DAM, high in rugged hill country, contributes to power and irrigation facilities.

As with changes in government, however, nationalization does not reduce the need for imports. Where private industries have postponed replacement, expansion or modernization plans for fear of nationalization, the government may now decide to move ahead.

As former private end-users or import agents are replaced by government purchasing organizations, the usual methods of business often give way to the uncertainties of doing business with inexperienced government officials.

On the other hand, the government purchasing organizations often place consolidated orders that run into the millions. Difficult or not, someone makes a sale, and the successful bidder is often rewarded with a bulk sale much larger than most agents ever were able to land.

Problem of financing

Coincident with larger government participation in business, but not confined to such business, is the continually recurring problem of financing sales to the area. Even in countries with no foreign exchange problem, terms of financing often are quite as important as price in getting the business. Offers to buy are sometimes accompanied with the stipulation that the buyer accept local currency or products in payment.

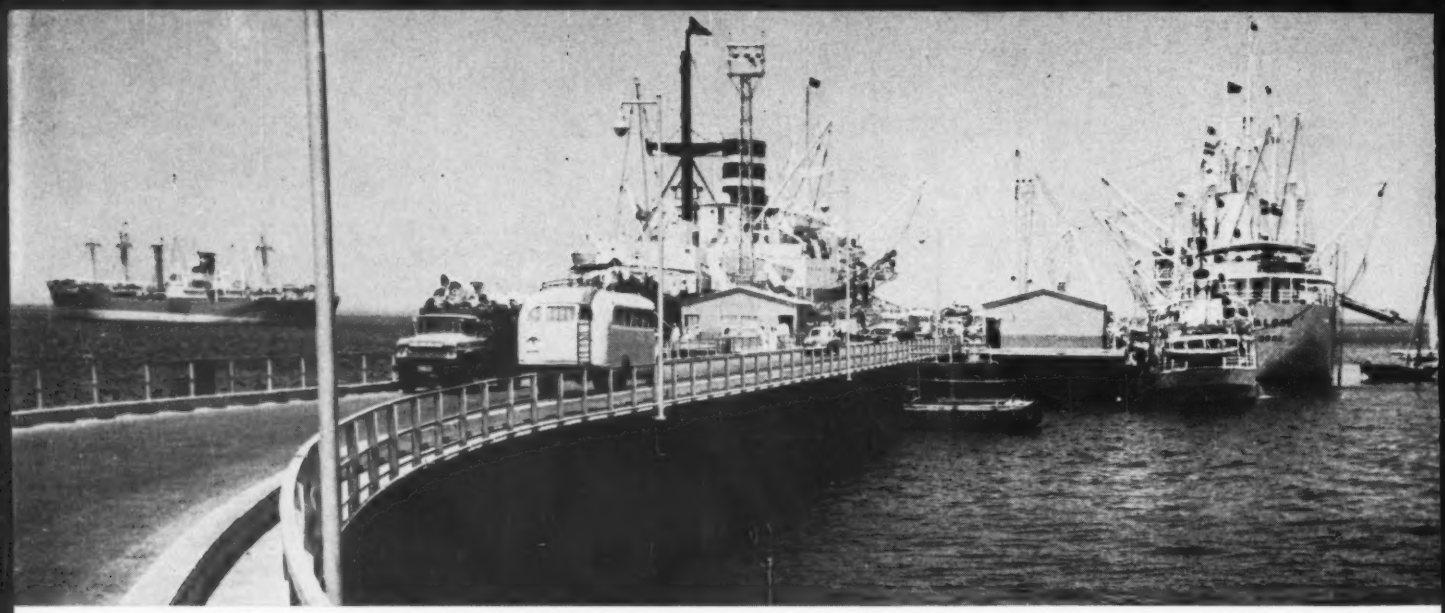
Although U.S. terms of financing ordinarily are equal to those of competitors, non-commercial considerations sometimes lead competitors to a greater willingness to lend. Moreover, frequent and close association with buyers often leads to 90 or 180 day drafts which save the buyer significant interest charges.

The competition considers itself hard-pressed to overcome the popularity of U.S. goods, regards U.S. aid as an important competitive factor and offers attractive terms as one means of getting the business. Interest rates are high, and credit accommodation makes a significant difference in the cost to importers.

It is becoming increasingly necessary to appoint separate agents in each country or marketing area in the Near East. In fact, the good local agents in a given area often refuse subagencies. If a subagency is involved it means a smaller commission or higher prices for goods on the market.

Individual territories vary greatly and an outsider is immediately at a disadvantage in not knowing local conditions. He is unable to keep up with trade opportunities. With increasing nationalism in the area there is considerable commercial rivalry between and within countries.

The Bureau of International Commerce has opened a Sample Display Center in Beirut to display U.S. products and help U.S. businessmen find suitable agents or distributors. Exhibits will be changed regularly and will not be confined to a single theme.



THE PORT OF JIDDA on the Red Sea is the foreign trader's major gateway to western Saudi Arabia. Jidda has a population of about 150,000, is the site of a Saudi Arabian air base, serves as a rendezvous point for pilgrims to Mecca. (Photographs courtesy Saudi Arabia Information Service.)

Dollars for development

Near East projects in variety of sectors require imported goods, services

By DAVID E. WESTLEY
Near East-South Asia Division, BIC

The statistically oriented businessman who reviews the most recent conventional market indicators for the Near East finds an area with an average per capita income of a few hundred dollars; relatively few automobiles, refrigerators, television sets, telephones; low fuel, power, and steel consumption; and limited highway and railway mileage.

He could logically conclude that such an area has little to offer him or his company. He could just as easily be wrong. He may be missing an opportunity to cash in on a multimillion dollar market.

It is precisely because of these statistics that U.S. engineers and technical consultants and suppliers of a tremendous variety of machinery, industrial raw materials, scientific and educational equipment, and other essential developmental goods are increasingly looking to the Near East as a good and highly competitive market for their wares. The countries of this area are fully aware of what they do not have and they are engaged in crash programs to obtain it.

DIESEL ENGINE swings in midair as workmen install it for Saudi Arabia's Damman Electric Supply Co.

Financial advantage

The financial resources of the countries of the Near East vary, yet development universally is given priority even where such resources are thinnest and, where dollar shortages exist, they should not be viewed as an automatic bar to sales. Import restrictions, high tariffs, surcharges, exchange controls, or deposit requirements are features of a number of countries (not all); but they are not applicable or apply to a markedly less degree to governmental and private imports for developmental needs ranging from steelmaking machinery to hospital equipment and motel supplies.

Built-in advantage

Several countries receive external aid —including assistance from the United States. Where AID financing is involved, most notably in Turkey but also in several other countries of the area, the U.S. supplier has a built-in advantage because of the requirement which applies in most instances that AID-financed goods and services be purchased in the United States. Many countries also have taken advantage of the Export-Import Bank facilities to finance purchases of U.S. equipment for needed projects.

A special source of external finance available to the Arab states is the Kuwait Fund for Arab Economic Development, established by Kuwait in late 1961. The Fund makes available medium- and long-term loans to Arab States for development, but insists that projects financed be technically and economically sound and have high priority in the economic de-

velopment programs of the borrowing countries. Other loans by Kuwait are made on a Government-to-Government basis. By late 1964, Kuwait had obligated more than $360 million to six countries.

Every country in the Near East is engaged in a variety of development projects. Some have carefully assembled, detailed multi-year programs, frequently constructed with the assistance of foreign technicians. Others operate on an annual basis, projects and targets being added or revised regularly. In many of the countries, major responsibility for planning and implementation is in the hands of the government. In a few, the private sector is the major spender, especially for other than infrastructure projects.

Exchange rates for countries of the Near East

Country	Unit	Rate	Value in dollars	$1 equivalent
Iran	Rial	par value	$0.013	Rls 75.75
Iraq	Dinar	par value	2.80	ID 0.36
Israel	Pound	par value	0.33	I£ 3.00
Jordan	Dinar	par value	2.80	JD 0.36
Kuwait	Dinar	par value	2.80	KD 0.36
Lebanon	Pound	free	0.32	£L 3.08
Saudi Arabia	Riyal	par value	0.22	SR 4.50
Syrian Arab Republic	Pound	official	0.26	£S 3.80
Turkey	Lira	par value	0.11	TL 9.00
United Arab Republic	Pound	official	2.30	£E 0.43

Big programs

Many of the programs are of substantial magnitude. Turkey's 5-year plan calls for a total outlay of $6.6 billion; the UAR's, $3.9 billion; Iran's, $2.7 billion; and Iraq's, $2.2 billion. The programs normally cover development of a wide range of sectors, requiring an equally broad spectrum of imported goods and services not confined to capital goods for industrialization, land reclamation, roads, and power development. For example, Iran's 5½ year Third Plan, which next year will absorb up to 70% of the country's $400 to $500 million income from oil revenues, allocates significantly large sums to health and education programs.

Tiny Kuwait, the largest oil producer in the area, has no comprehensive economic development plan, but, financed by government oil revenues in excess of one half billion dollars annually, allocations for development are maintained at a high level. Major projects underway or planned include expansion of port facilities, provision of new water supply and sewage facilities, construction of a telecommunications center, establishment of a petrochemicals industry, and low-cost housing.

Dollars for development

Estimated current annual development outlays of most of the countries of the Near East are listed below, in millions of dollars. For some countries, the figure includes private investments.

Cyprus, $34; Iran, 433; Iraq, 350; Israel, 270; Jordan, 26.5; Kuwait, 251.8; Lebanon, 63; Saudi Arabia, 169; Syria, 153.9; Turkey, 760.5; and United Arab Republic, 600.

Israel recently released a forecast of industrial development in 1965-70 anticipating a total public and (primarily) private investment of $1.4 billion, including $1 billion for net investment and $366 million for replacement of equipment and parts. Estimated investments are highest in the following fields: chemicals, minerals and fuels, including petroleum, textiles, foodstuffs, glass, ceramics, cement, machinery, rubber and plastics, wood and furniture, transportation equipment, and metal products. Government investment and development outlay in 1964 was estimated at about $270 million.

Litani River project

Lebanon, now dependent upon tourism and other invisible earnings to support its import requirements, is undertaking a number of infrastructure projects, especially power and water, designed to facilitate development of the economy. The largest of these is the multipurpose Litani River project which already has cost over $40 million. The Litani Office recently invited bids for a new hydroelectric plant with an estimated installed capacity of 24,000 kilowatts to cost about $10 million.

Iraq, also with a substantial oil income, has recently announced a new 5-year economic development plan aimed at doubling national income in nine years. During the 1964-65 fiscal year development expenditures will be about $350 million.

Major projects

Major construction projects actively underway include a $33.6 million rayon factory, an $8.4 million oil products depot, two southern power grids estimated at $16 million, port development at $21 million, $36.4 million for the new Baghdad International Airport. Others to be implemented soon include a $31 million sugar cane complex, a $20 million sulfur recovery plant, the $196 million Eski-Mosul Dam, irrigation, drainage, water supply and sewerage projects.

Saudi Arabia's development budget in 1964 was estimated at $155.9 million, exclusive of an additional $16.3 million for petroleum and other mineral projects. By far the most substantial share—28%—was ticketed for transportation and communications projects, with roads alone accounting for more than $24 million. In addition, other major projects underway or planned include port development, airfield construction or improvement, and a major automatic telephone network.

U.S.-MADE CRANES lift sheet steel piling along Nile River waterfront for Cairo West Power Station.

IN THE NEAR EAST

Government a big buyer

Frustrations of doing business with state agencies often compensated for by size of order

By ROGER D. SEVERANCE
Near East-South Asia Division, BIC

There is no need for exporters to throw up their hands at doing business with foreign governments.

Whether it is with the state trading companies in Iraq or the United Arab Republic (Egypt), or the state-controlled enterprises in Turkey or the Syrian Arab Republic, government business is big business. Delays, red tape, and the frustrations of doing business with bureaucrats-turned-industrialists are often compensated for by larger orders.

Because much government business is on an open tender basis, it would seem a local agent might be unnecessary. But local agents are essential—particularly for big orders. Often, years elapse between the conception of a project and the signing of a sales contract. In most instances the area distributor or man from the home office cannot spend this amount of time profitably pursuing the business.

FLOW OF TRAFFIC gets heavier and heavier in downtown Manama, Bahrein, as auto sales increase.

Governments in the Near East depend upon the knowledge and expertise of prospective sellers, contractors, and subcontractors from the planning to the completion of a project. A good local agent should be able to assist in writing specifications, discuss financing, negotiate bids (playing off low bidders against each other is a common occurrence), and follow the project or sale through the many levels of government before approval is obtained.

The relative amount of government purchasing varies with each country. In the nationalized economy of the UAR, for example, all sales are, in effect, to the Government. In free-enterprise Lebanon, the Government generally purchases only the requirements needed for its day-to-day operations.

United Arab Republic

In the UAR, goods may be imported only by 14 Government trading companies; Government organizations such as the Suez Canal Authority, the General Petroleum Company, or the General Industrial Organization; Government agencies, such as the Ministry of Supply; or by Government-owned factories.

The Government trading companies—with specific products assigned to one or more of them—import between 40 and 50% of all imports. Other Government organizations and factories, although they have the right to import directly, may import their requirements through one or more of the trading companies.

Trading companies often act as agents for foreign manufacturers on a fixed fee basis—the most effective type of representation in the UAR remaining for the foreign manufacturer today. Representation on a commission basis is prohibited.

Iraq

More than 50% of Iraqi imports are purchased by the Government or Government-controlled companies. Last July the Government nationalized all banks, insurance firms and 30 principal companies. Subsequently, importation of many products was placed under Government monopoly. Further nationalization of the import sector is probable with a system of state trading companies similar to the UAR's.

Public trading companies have been established to import and distribute major product lines. The General Drugs and Chemicals Import and Distribution Company (Kimadia) is the sole importer of pharmaceuticals, medical equipment, and nonindustrial chemicals. Motor vehicles, spare parts, and tires and tubes are importable only by two publicly owned companies, the African-Iraqi Company and the Iraqi Importation and Distribution Company. The Iraqi Government Purchasing Board is the sole importer of wheat, tea, rice and other principal foodstuffs. Other products are importable by private firms.

Former private importers may be permitted to act as distributors for the Government import companies. For drugs, foreign companies may also establish scientific centers to promote, but not sell, their products.

Syrian Arab Republic

Government control of Syrian industry was virtually completed in January when 112 industrial establishments were nationalized. Commercial banks, most textile mills, and other factories previously had been nationalized. Although the Government does not own 100% of all industrial establishments, its control of their operations is complete.

In spite of the nationalization of industry, the import trade sector has remained private. Private agency arrangements are permitted, although by law the agent must be a Syrian national. It is likely, however, that the Government also may nationalize importers.

Turkey

An estimated 65% of all Turkish imports are purchased by state-controlled enterprises and Government agencies and departments. State-controlled enterprises are engaged in a number of industries including petroleum, mining, cement, chemicals, leather good, forestry, farm equipment and iron and steel. Government agencies such as the Highway and Railroad Departments also are important buyers. Government office supplies and vehicles are purchased by the State Supply Office.

It is not necessary for a manufacturer to register with the Turkish Government procurement sections. However, a U.S. firm which wants to sell its products to Turkish Government or quasi-Government organizations can voluntarily provide the Government organization with information on its products. It is common practice in Turkey for buyers to require performance bonds by manufacturers and exporters bidding on contracts.

Important Government procurement offices are listed in the Commerce Department publication, *Selling in Turkey*, OBR 64-97, obtainable from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C., 20402.

Iran

Although Iran is essentially a free-enterprise economy, the Government purchases many items outside its own operating requirements. There is some Government ownership and participation in industry.

Importation of certain commodities such as tea and tobacco is a Government monopoly. The Government also purchases products such as farm machinery, chemicals and pharmaceuticals for distribution. Government supplies—from automobiles to stationery—are purchased by the Foreign Transactions Company, an agency of the Ministry of Economy.

Most Government purchasing is by tender. Local agents of U.S. manufacturers should register with Government purchasing entities to qualify for purchase or receipt of tenders. Performance bonds are often required. Names and addresses of the principal Government purchasing organizations are given in Commerce Department publication, *Selling in Iran.*

Kuwait

Kuwait Government construction projects and other contracts are responsible for about 50% of all imports. As all goods are purchased through Kuwaiti nationals, foreign exporters must have a Kuwaiti agent. Firms bidding on Government engineering contracts should submit bids directly to the Government agency concerned. On Government construction projects, U.S. firms should submit bids through their Kuwaiti agents.

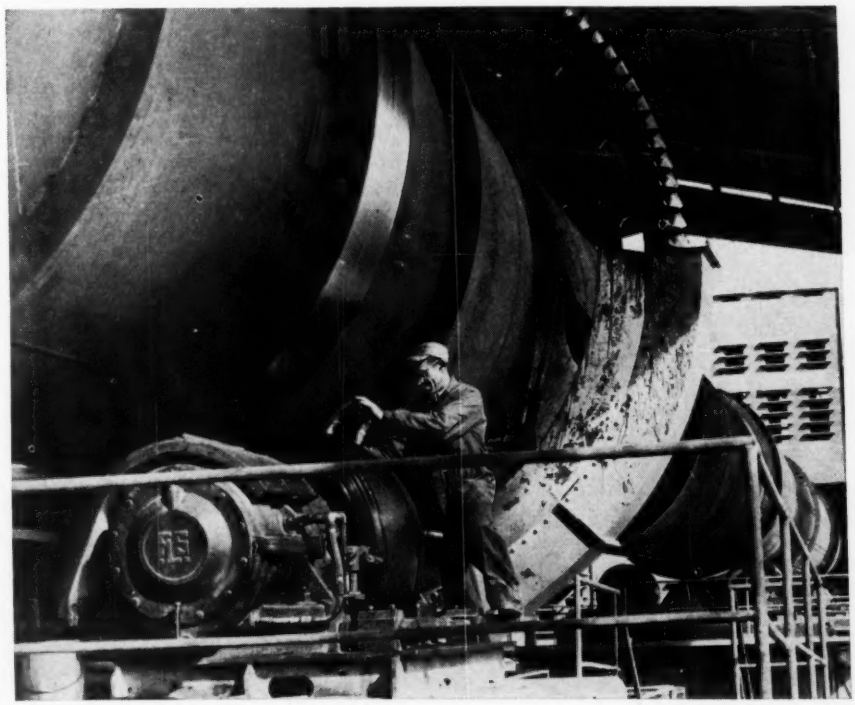
Saudi Arabia

The increased emphasis on economic development in Saudi Arabia will mean more business for the U.S. exporter with the Saudi Government. Each Government ministry or agency is responsible for the planning and execution of development projects within its area of responsibility. Saudi law requires that foreign firms selling to Saudi Arabia must do so through a Saudi agent. Few, if any, purchases are made directly from foreign suppliers.

Israel

The Israeli Government purchases through private importers or buys directly from foreign manufacturers. Open tenders generally are not issued except by municipal governments. Direct Government purchases in the United States usually are made by the Israeli Government Supply Mission, 850 Third Ave., New York, N.Y.

KILN OF CEMENT PLANT at Ramlah, Israel, dwarfs worker. Israeli building boom is expected to continue.



Selling in countries

Analyzing the market

Country	Population 1963 (millions)	GNP ($ billions)	Reserves ($ millions)		Total imports 1963 ($ millions)	Principal imports
			Gold	Foreign exchange		
★ Iran	22.2	4.79 (1963)	141 Oct. 1964	111	523.1	Wheat flour, steel pipe and tubing, pharmaceuticals, chemicals, machinery and parts.
★ Iraq	6.9	1.4 (1963)	112 April 1964	266	319.3	Iron and steel manufactures, motor vehicles, tea, sugar, wood, paper, textiles.
★ Israel	2.4	2.64 (1963)	56 July 1964	670	674.4 [1]	Transport equipment, rough diamonds, iron, steel, cereals, petroleum and products.
Jordan	1.8	.35 (1963)	— Sept. 1964	123	142.6 [1]	Machinery, vehicles, iron and steel products, foodstuffs, petroleum and products, textile fibers.
★ Kuwait	0.3	1.035 (1962)	50 March 1964	1160	323.7	Motor vehicles, foodstuffs, iron, steel, timber.
★ Lebanon	2.0	.725 (1963)	172 Sept. 1964	44	360 (est.)	Mineral products, transport equipment, live animals, wheat, wheat flour, household appliances.
★ Saudi Arabia	6.4	1.0 (1962)	78 July 1964	502	300 (est.)	Foodstuffs, textiles, building materials, motor vehicles and parts, agricultural equipment, pharmaceuticals.
Syrian Arab Republic	5.4	.825 (1962)	19 Aug. 1964	21	244.6	Machinery, motor vehicles, iron, steel.
Turkey	30.0	7.035 (1963)	105 Oct. 1964	13	690.5 [1]	Machinery, transport equipment, petroleum products, cereals, iron, steel, chemicals.
United Arab Republic (Egypt)	28.0	3.37 (1962)	174 March 1964	185	916.3 [1]	Foodgrains, iron and steel products, machinery, petroleum.

★ **Best bets.** [1] Substantial U.S. aid, including PL-480.

of the Near East

Making the sale

How	What	Special conditions	Look for . . .
Local agents for both government and private sales.	Power and generating industrial, construction and oil field equipment.	Most consumer and locally produced goods restricted. Trend toward protection of local industry.	Record oil revenues and development spending to spur purchases.
Local agents and government import monopolies.	Industrial and construction machinery, technical services, vehicles, iron, steel, food products, essential consumer items.	Import license for all commercial imports.	Increasing imports by government monopolies to create new sales opportunities.
Private importers; government buys either from importers or directly.	Machinery and equipment for mining, textile, rubber, plastics, chemical, electronic industries.	Specific import license required for about one-half of imports.	Emphasis on purchases of high-output labor-saving machinery and equipment.
Local agents; also direct to importers and government.	Trucks, machinery, drugs, chemicals.	Limited financial resources; specific import license required for all goods.	Dependence on foreign aid to continue.
Must have a Kuwaiti agent except for consultants on goverment projects.	Good prospects for all goods.	Free market, general import license required (except for oil companies) for most products.	Leveling of boom but continued prosperity based on over $500 million worth of oil revenues a year.
Local representatives (many U.S. regional distributors based in Beirut).	Airplanes to zippers—if the price is right.	Free market.	Opportunity to expand sales through new U.S. Department of Commerce Sample Display Center.
Must have a Saudi agent.	Consumer goods, oil field machinery, technical services and equipment for development projects.	Free market.	Growing use of oil income of over $600 million for social and economic infrastructure projects.
Primarily through private channels; agent must be a Syrian national.	Machinery, agricultural equipment, textile equipment.	Import and exchange licenses for all imports; slow payments. Industry mostly nationalized.	Possible extension of nationalization to trade.
Local representation essential, especially for government sales.	AID financed goods—machinery, iron, steel, tires, tubes, vehicles and parts, petroleum products.	Import license and prior deposit required for all goods; import regulations revised semi-annually.	Government contracts—65% of all imports are government or quasi government.
Government trading companies or direct to government agencies; private commission agents prohibited.	Only essential consumer goods, industrial raw materials and spare parts.	Severe foreign exchange shortage. External financing often essential; slow payments.	Import squeeze—funds to be available only for top priority projects.

DEVELOPMENT PROGRAMS in several countries in the Near East are expected to create a demand for many U.S. goods and services. The oil-producing countries especially will continue to increase imports.

Outlook for continued growth in exports to UAR not bright

U.S. exports may fare better than those from other Western countries as long as sales from PL 480 program continue

By ROBERT J. BUSHNELL
Commercial Attache
U.S. Embassy, Cairo

Prospects for increasing U.S. exports to the United Arab Republic (UAR) appear less favorable now than they have at any time in the past five years.

The United States has been the principal supplier of UAR imports since 1960, with U.S. exports of over $200 million annually in the last three years, but the outlook for continued growth is not bright.

Because of increasingly serious economic difficulties, many observers now believe that Western countries as a group will generally experience a decrease in exports to Egypt during the next year.

U.S. exports probably will not be seriously affected by the current difficulties, however, as long as sales of surplus agricultural goods for local currency under terms of Public Law 480 are continued. These sales of agricultural products comprise the largest part of U.S. exports to the UAR.

The PL-480 program must be renegotiated soon by the two governments, since the present three-year agreement is due to expire on June 30.

The availability of government or commercial credits for dollar purchases will also be an extremely important requirement if American exports are not to decline.

U.S. Government loans have facilitated a large share of non-PL-480 sales in recent years, and it is clear that any increases or decreases in assistance will affect the trade level. Any analysis of the trade outlook must therefore carry a qualification regarding U.S. aid.

The best estimate at present is that if American assistance continues at approximately the current rate U.S. exports should not drop substantially and might even hold their own in 1965; on the other hand, a decline in aid would bring a corresponding drop in exports.

Adding to the difficulty of predicting commercial developments in the UAR for 1965 is the fact that the country's economic problems have in the last two months come under intensive review by President Nasser and his vice presidents and ministers.

Hopeful signs

The situation is thus in a fluid state, pending decisions by the Government, but the high-level awareness of the economic problems and desire to find realistic solutions are hopeful signs.

A factor which could also affect U.S. and other Western exports is the apparent move in recent months toward greater dependence on the Eastern bloc for trade and economic assistance.

As the problem of overdue obligations to Western banks became more pressing in 1964, the UAR Government put more emphasis on purchases which could be made under terms of bilateral trade and payments agreements, primarily with Eastern bloc countries.

Government agencies were in many cases urged to buy through bilateral agreements, even when prices were higher or quality lower, because of the convenience of drawing against a barter account which did not require convertible currency.

The extent of this shift in trading partners is indicated by the rise in total net UAR indebtedness on bilateral clearing accounts from $156.6 million in December 1963 to $231.8 million in December 1964.

Concerned

The high level of indebtedness to clearing account partners undoubtedly is of concern to Easter bloc countries, but several of them have recently agreed to disregard the debt levels or to increase the volume of their trade agreement. In some cases they have demanded more Egyptian goods in payment.

UAR agreement to such demands may

Who supplies the markets of the Near East countries?

Importer	Total imports	Chief suppliers (In millions of dollars) U.S.	% of market	U.K.	France	Italy	Germany	Japan	USSR
UAR (Egypt)	$916.3	$250.5	27.3	$80.7	$21.5	$59.1	$92.6	$15.7	$49.1
Turkey	690.5	211.6	30.6	77.1	34.3	35.0	104.4	16.0	8.9
Israel	674.4	184.6	27.4	130.9	30.7	18.1	60.9	9.4	.3
Iran	523.1	89.7	17.1	81.0	29.1	24.9	77.6	34.6	14.5
Lebanon	360.0	46.2	12.8	40.3	8.9	31.8	38.7	14.7	4.6
Kuwait	323.7	66.3	20.5	61.0	9.8	14.5	30.1	30.1	[1]
Iraq	319.3	35.0	11.0	50.4	1.3	9.4	30.7	6.9	26.1
Saudi Arabia	300.0	70.0	23.3	27.2	4.3	12.1	20.4	26.8	[1]
Aden	271.6	5.2	1.9	29.2	1.9	4.9	6.8	25.4	.6
Syria	244.6	17.3	7.1	26.8	14.7	14.5	32.3	12.3	2.5
Jordan	142.6	19.6	13.7	20.6	3.6	4.3	12.2	6.4	1.7
Cyprus	131.6	5.7	4.3	43.4	8.4	11.9	10.5	3.5	2.0
Arabian States, n.e.s.[2]	[1]	14.1	[1]	22.3	.5	.3	2.2	.3	3.3
Bahrein	[1]	9.0	[1]	21.2	.6	1.7	2.7	5.5	[1]
Qatar	[1]	2.7	[1]	10.1	.5	.2	1.7	4.8	[1]
Total	[1]	1,027.5	[1]	722.2	170.1	242.7	523.8	212.4	[1]

[1] Not available. [2] N.e.s.: not elsewhere specified. Source: Foreign trade statistics of listed countries, 1963.

seriously affect U.S. and Western exports, since increased allocations of Egyptian goods for the Eastern bloc, particularly items like cotton textiles or yarns which are normally good hard currency earners, naturally leave the UAR with less exportable items for Western markets.

Eastern bloc countries signed long-term loan agreements totalling over $550 million with the UAR in 1964, which makes those lands the principal financiers at this point of the second five-year plan (1965-1970). However, these agreements are not likely to have a noticeable effect on the 1965 export level.

They'll spend

In spite of the obstacles, however, American businessmen should give the Egyptian market serious consideration in 1965. The UAR earns over $600 million annually in foreign exchange, and the ambitious five-year industrialization plan requires that large amounts be spent on imports.

American equipment enjoys an excellent reputation, and there is a strong pent-up demand for virtually all U.S. products. Many American products have become more competitive in price, and the major obstacle to greater U.S. sales has become the lack of foreign exchange rather than price.

Opportunities for doing business in Egypt, aside from PL-480 sales, are principally in the fields of industrial machinery, electrical and telecommunications equipment, and construction or petroleum machinery.

The would-be exporter to Egypt must be willing to face long delays in obtaining orders, but purchase orders are eventually signed as foreign exchange becomes available from the Suez Canal (which earns $160 million yearly), from foreign credits, or from sales of cotton, cotton textiles and other exports.

Large trade opportunities in these and other fields are plentiful, although bid deadlines for tenders are almost invariably postponed several times (often for as much as one year from the first announcement) while the purchasing organization attempts to find enough hard currency to place the order.

Some of the larger projects or tenders now available to U.S. exporters (if and when financing becomes available) are:

► Supply and installation of nuclear power station and sea water desalinization plant;

► Five forward scatter and VHF telecommunications projects;

► Supply and erection of six plants for processing and canning vegetables and fruits in the UAR;

► Tender for reclamation of 312,000 acres near Port Said, estimated to cost between $200 million and $250 million, of which a large portion will be for earthmoving equipment, pumps, and irrigation requirements;

► Tender for reclamation of 80,000 acres near Alexandria in the area of Lake Mariut;

► Requirement for 1,000 trucks (12-15-ton capacity) and 1,000 trailers (15-ton gross weight), needed by the Egyptian General Organization for Inland Transportation;

► Complete equipping of 100 hospitals during the next five-year plan (1965-1970).

Items with good current export potential in relation to market need, competitive conditions, and possibility of obtaining import licenses, are:

Construction, excavating and mining machinery; petroleum industry equipment; lubricating oils; automobile spare parts; trucks (certain sizes) and spare parts; power generating equipment; commercial refrigeration equipment; and TV components.

Also industrial chemicals; plastic raw materials; pharmaceuticals; agricultural insecticides; scrap iron; office accounting and computing machines; leaf tobacco; and tinplate.

Also wood pulp; pesticides; irrigation equipment; heavy truck and tractor tires and tubes; textile machinery and equipment; diesel engines; and scientific and laboratory equipment.

Exporters interested in the UAR market should check on possible restrictions affecting their products before spending much money or effort in sales promotion. A growing range of products is now being manufactured or assembled in Egypt, and imports of them are usually prohibited when local manufacture begins.

TELECOMMUNICATIONS PROJECTS in the United Arab Republic offer good trade opportunities for U.S. electronics manufacturers. Above is the new television building in Cairo, with studios equipped by RCA.

At the present time about 450 items (approximately one-half of those listed in the UAR customs tariff) are not allowed to be imported at all, either because they are produced locally or are considered luxury or non-essential goods. The list includes, among other items, passenger cars, cotton and wool textiles, linens, furniture, hosiery, cosmetics, cigarettes and floor coverings.

Goods now produced or assembled in the UAR include air conditioners, refrigerators, automobiles, tires and batteries, sewing machines, bicycles, railway wagons, steel furniture, television sets, and structural steel.

Market prospects for finished consumer goods, or any items which are not required for industrial development or as essential consumer commodities, are therefore not bright.

Since 1961 all importing has been in the hands of government organizations, and the size of individual orders has increased to the point where multi-million dollar sales are commonplace.

In one respect, this has facilitated the work of the prospective supplier, since his list of potential clients is considerably smaller now.

The good orders generally go to the company representative who visits the country regularly, makes the rounds of his prospects, and gradually develops a sound personal relationship with potential purchasers.

Business is done on a very personal basis in Egypt, and regular calls on prospects are all important. Very little can be accomplished purely by correspondence or on the first call.

Prime examples of the strong demand for American goods and the benefits which can be derived when the groundwork is carefully laid are the sales to the UAR by RCA and General Motors Corp.

Taking advantage of a good reputation in the market and the high priority which the UAR Government has placed on establishing a television network, RCA has equipped the studios, the transmission system and an assembly factory. In addition, most of the television components assembled at the factory have been from RCA.

General Motors diesel locomotives have produced such substantial savings in operating costs that, with the help of Export-Import Bank financing, the Egyptian Railways have standardized on General Motors locomotives while completely dieselizing their system.

Oil field equipment, petroleum products needed in Near East

The Near East, a major world source of crude oil, is an important market for U.S. exports of petroleum products and oil field machinery and equipment. Countries of this area spent nearly $39 million in 1963 on these two groups of U.S. commodities.

Petroleum products exports to the Near East totaled about $21 million, with $18.9 million worth bought by Turkey, the United Arab Republic (Egypt), Iran, Saudi Arabia, Kuwait and Israel and $2.1 million bought in small amounts by other countries in the area.

Turkey, then UAR

The largest market was Turkey which purchased more than $8.4 million worth of products with about $2.8 million spent on lubricating oils for automotive engines alone. The UAR, the second largest individual market, obtained nearly $5 million worth of U.S. petroleum products and spent $2.1 million on automotive engine oils.

Figures for the 1964 total exports of petroleum products are as yet unavailable, but preliminary figures for the first nine months show a total of $14.5 million, with Turkey and the UAR still the biggest buyers with respective expenditures of $6.3 million and $3.1 million.

The big buyers

Large opportunities in the Near East also exist for U.S. oil field machinery and equipment companies. More than $17.5 million was spent by these countries in 1963 on U.S. goods in this category. Of this total, 90% was purchased by the UAR, Kuwait, Iran, Turkey and Saudi Arabia.

Four types of products accounted for about 89% of total oil field equipment and machinery exported to the Near East. Exports of production equipment, drill rigs and bits totaled $8.8 million in 1963 whereas in 1964, a decline seems to be indicated with the expenditure totaling $2.5 million for the first nine months for the first two items and $1.1 million for drill bits. Parts and accessories, specially fabricated for rotary drill rigs, represented more than $6.8 million worth of additional exports to the area in 1963 and $4.9 million for the first nine months in 1964.

MODERN TURKISH HIGHWAYS such as this one bridging the El Furat (Euphrates) at Birecik are being built and maintained with American highway equipment.

Turks plan to buy more

Selling to Turkey is no cinch, but rewards justify effort to share in $665 million market

By ARTHUR C. LILLIG
Commercial Attache
U.S. Embassy, Ankara

Selling in Turkey these days presents plenty of problems and pitfalls. But many foreign manufacturers are hurdling the obstacles presented by low quotas and high tariffs, plus credit and dollar shortages. Competition may be rugged but profits are still sweet.

U.S. sales to Turkey during the next six to eight months will probably not exceed 1964 levels, when total exports for the first 11 months were $144.4 million; substantially below the $218.7 million for the year 1963. Our share of the market dropped from 32 to 26%.

One reason for the decrease was a heavy drop in shipments of Food for Peace commodities, but increasingly restrictive quotas and import licensing regulations, and larger deposit requirements on orders also have been very effective in cutting Turkey's overall import bill and heavy trade imbalance.

According to the 1965 Development Program, Turkey's total 1965 imports will amount to $665 million, considerably higher than the actual 1964 figures. Exports are expected to rise 10% to $410 million, leaving a $255 million trade deficit. More importantly, the overall 1965 balance-of-payments deficit, including debt payments, will be a whopping $394 million. Currently about 40% of Turkey's export earnings must go to service past debts instead of being used to import more capital goods needed for economic development. Hence the need for Turkey's stringent controls on imports.

High hopes

The Turkish Government has high hopes of gradually reducing the balance of payments deficit by: increasing export earnings, a program which its newly-acquired associate membership in the EEC should boost; luring more tourists to Turkey to see the magnificent scenery and historic sites; encouraging remittances from Turkish workers who are now departing for European factories at the rate of 2,000 per week; and through development of additional petroleum resources.

Food for Peace shipments, debt rollover, U.S. economic aid and European loans are expected to help reduce the gap to a more manageable total. The OECD Consortium for aid to Turkey, in which the U.S. participates, is expected to play a major role.

No slowdown

Turkey also wants to curtail foreign exchange outgo by encouraging private investment in new plants. Above all, it does not want lack of credits and foreign exchange to reduce its imports of capital goods and thus slow down its development program.

In the Development Program for 1965, the third year of Turkey's Five Year Development Plan, gross national product is expected to increase by 7%, with per capita income going up 4% to $245 a year. The Plan calls for the outlay of $855.6 million for public investment in 1965, which includes government-owned factories. Planned private investment totals only $555.6 million. The largest investment percentages will be in housing (20%), manufacturing (18%), agriculture (18%), communications (14%), and power (9%).

Best chance

Among other things that can be sold in Turkey despite the unfavorable balance-of-payments picture are products being financed through U.S. loan agreements. Turkish projects for which U.S. loans have been extended include:

	Amount (000's)
Silihtar and Sariyar power projects	$31,300
Road construction equipment	18,100
Tuncbilek Coal Mines expansion (TKI)	1,100
Aerial mineral survey equipment and consultants	320
Gokcekaya hydroelectric and transmission lines project	20,400
CENTO rail link—Tatvan, Turkey—Kotur, Iran	10,500

Another important guide to what can be exported to Turkey is the Turkish Import Program, which is revised every six months. The Program List shows the products Turkey needs. A wide range of capital goods are still the most important requirement. In the quota portion of the

1964 program, the largest allocation set aside was $20 million to purchase machinery and equipment, followed by $2.5 million for steel slabs and sheet bars, $1.9 million for tin plate, $1.75 million for synthetic yarns, and $1.25 million for fertilizers. The program also includes up-to-date regulations covering all import procedures.

In addition to the allocated goods, a so-called Liberalized List authorizes the import of an even wider variety of capital goods. Theoretically, the Government will issue licenses for goods on this list to meet all needs of manufacturers and importers. In practice, however, if foreign exchange or credits are not available, import licenses will not be issued.

Products financed entirely by AID can of course only be imported from the United States. Products which are being manufactured in sufficient quantities to meet Turkey's needs cannot be imported at all. This has led a number of American manufacturers to consider establishing a plant in Turkey rather than run the risk of being completely locked out of the market. Several U.S. companies have located in Turkey, including Goodyear, U.S. Royal, Squibb, Pfizer, Singer, and Chrysler. The Schlitz Brewing Company is constructing a brewery near Istanbul and several other American companies have applied or said they would apply for Cooley loans to build plants in Turkey.

Bid on everything

Depending upon credit and exchange availabilities, U.S. manufacturers who submit bids whenever requested stand a good chance of making sales in Turkey, since U.S. prices daily are becoming more competitive with European prices. U.S. manufacturers have been, or can be, low bidders in world-wide competition for agricultural, communications, steam boiler, heavy construction, oil and water drilling, and radio broadcasting equipment.

American companies have also been competitive with their semi-finished steel products, large turbo generators, and giant-sized tires and tubes.

Manufacturers with new products to sell should send salesmen to Turkey to explain how these products can help meet the aims of the Five Year Development Plan. These sales efforts are necessary if the new product is to be included in future import programs. If the Turks have not heard of a new product or piece of machinery, they will not include it on the list, and if it is not included it cannot be imported.

The manufacturer of one of the most advanced types of international communications equipment came to Turkey recently and with an excellent sales presentation "sold" the government agency concerned. They asked for a firm quotation on the product, which of course had not been listed in the current import program. In another instance of selling a product not included in the program two U.S. manufacturers of commercial jet aircraft have been actively promoting their planes in competition with European manufacturers. As a result, Turkish Airlines have requested authority to purchase three airliners. The purchase will probably be okayed if financing can be arranged.

Even though U.S. manufacturers have good local representatives in Turkey, they should send their salesmen out frequently to check on current sales opportunities and to make sure that their products are being pushed hard to meet the tough competition from Europe and Japan, and increasingly, from the Bloc countries.

Although most U.S. sales to Turkey are AID-financed, it is misleading to assume that U.S. goods would have been sold in any event, simply because the sale was financed by AID. U.S. companies are often low bidders in world-wide competition; but only then does the Government of Turkey go to AID for financing. If the U.S. company had not bid, the sale would have gone to another foreign manufacturer.

Private steel mill will spur Turkish industrial development

Largest private venture will complement state mill's output; AID, private U.S. firms play key roles in building, management

Turkey's largest private enterprise, the newly-established Eregli Iron and Steel Mill, is expected to play a key role in boosting the Turkish economy and expanding its market potential.

The economic development of Turkey, long handicapped by a lack of basic flat steel products, received a noteworthy assist in late 1964 when the Eregli mill, the first privately-owned steel plant in Turkey, began limited operations. Production will be at 50% of planned capacity this year, with full annual production of one million tons of finished steel products set for 1968.

The Eregli works will concentrate on flat products such as tinplate and sheet steel, which are intended to complement the output of the publicly-owned Karabuk Mill, whose production is oriented toward basic steel items.

Central role

The Eregli mill is scheduled to play a central role in the future development of both Turkish industry and the economy as a whole. The major part of its production will supply items now being imported.

Between 1955 and 1959, Turkey imported an average of 130,000 tons of steel per year, of which approximately 25% were rolled steel products such as those to be manufactured by Eregli. These imports will be eliminated gradually, with an initial foreign exchange saving of $30-35 million per year and an eventual saving of up to $50 million.

Turkey's lack of foreign exchange has kept steel imports too low to meet the demands of its expanding industrial sector, thereby impeding the attainment of the country's economic development goals. Completion of the Eregli complex will greatly increase the domestic availability of steel products and spur national development.

The Eregli project should also have a long-term multiplier effect on overall employment and lead to a general rise in economic activity. Estimates indicate that the Eregli mill's projected $74 million annual production will eventually lead to a $300 million addition to Turkey's gross national product (GNP). The availability of Eregli's products will probably give rise to many new steel-consuming enterprises in the fields of transportation, food packaging, and consumer durables.

Both U.S. private industry and the Government of the United States played large roles in bringing Eregli into operation. It was partly financed by an AID loan of $129.6 million. Blaw-Knox, Koppers, Westinghouse, Foster Wheeler and Morrison-Knudsen all had a hand in building the mill. The first three firms have an equity interest in the plant with Koppers also providing the management for at least the first five years.

WORLD BANK LOAN helped construction of Israel's newest deep-water port at Ashdod, south of Tel Aviv.

Labor-saving devices, construction materials, consumer goods will find a hungry market in Israel this year

Government forecasts bright future in which imports jump 10% and purchases from U.S. soar above $200 million mark

By WILLIAM M. KERRIGAN
Chief, Economic Section

and JOSEPH D. McLAUGHLIN
Economic Officer
U.S. Embassy, Tel Aviv

The quickest way to demonstrate the opportunity for U.S. exporters in Israel is to say:

Israeli imports from the U.S. totaled $184 million in 1963.

They are expected to reach $195 million for 1964.

They probably will soar well above the $200 million mark in 1965.

The Government of Israel expects the economy to boom this year. Officials predict a 10% increase in imports, for a total of $845 million. They look for a 10% increase in gross national product —for the 13th consecutive year. And they expect foreign exchange reserves to rise to about $650 million.

Trade policy

To increase the competitive ability of Israeli exports, the government slowly is relaxing administrative restrictions, such as licensing requirements, on imports. Slightly more than half the nation's industries now are exposed—at least nominally—to competitive imports, although many of their products still are shielded by high tariffs.

Israel will retain many of its administrative and tariff barriers throughout 1965, relaxing some for domestic, political and economic reasons.

Although wage rates are lower in Israel, production cost per unit often exceeds that in the United States. The average refrigerator made in Israel has a wholesale value of $213 as opposed to $144 in the U.S. A washing machine made in Israel is valued at $200, contrasted to $117 in the U.S. For electric ranges, the figures are $167 against $125; for mixers and blenders, $35 to $10.

Labor shortage

Like many rapidly-expanding countries, Israel suffers a chronic shortage of skilled labor. Industry is hungry for labor-saving devices and equipment which will increase productivity.

A population increase averaging about 4% a year is expected to push Israel's total population to more than three million by 1970. Although the Government would prefer a consumption increase of no more than 3% each year, the recent average has been closer to 6%.

The consumption-oriented Israeli has been purchasing more household appliances, including television sets, and there appears to be an untapped market for do-it-yourself items.

Industrial markets

The population increase also has enabled the construction boom to continue at a brisk pace. In 1963 housing units completed (including apartments) totaled 39,600.

Almost all building is masonry or reinforced concrete construction. Light and heavy construction equipment and new building materials will remain good sellers.

Tel Aviv will have a three-week Building and Homes Show in June.

In keeping with the government's plan to redress the balance of trade deficit by relying more heavily on domestic production and increased exports, component parts of all kinds will find a good market.

Many firms are interested in manufacturing U.S. products in Israel under licensing agreements. Especially good markets should develop for equipment, raw materials and component parts needed by the mining, textile, rubber, plastics, chemical and electronics industries.

A Chicago trade group that visited Israel in October reported good markets for some plumbing items, automotive spare parts and some furniture.

U.S. activities

Last summer the Bureau of International Commerce, in co-operation with 50 U.S. electronics manufacturers, staged an exhibit, Electronics USA, at the Tel Aviv International Trade Fair. The three-week show brought more than $220,000 in immediate sales. Exhibitors estimated that after-show sales would run an additional $1 million.

The Embassy now is publishing a Commercial Newsletter for about 700 selected firms. U.S. exporters seeking agents, distributors, licensing agreements or similar trade connections are invited to send information to the Embassy's Commercial Section.

The Israeli buyer has a strong preference for foreign-made products, and U.S. goods enjoy an excellent reputation. However, European and Japanese suppliers are aggressive salesmen. Local agents and distributors will require good support from their U.S. principals.

JEEP ASSEMBLY PLANT on Karaj Road near Tehran is completely staffed by Iranians. Iran plans to streamline and enlarge many industries, most of which are now operating on a relatively small scale.

Iran promoting varied industries to end reliance on oil revenues

Many U.S. firms establish local operations to ensure share of long-range market; many 'non-essential' imports are restricted

By JOHN PANOS
Commercial Officer
U.S. Embassy, Tehran

Iran has much to offer the U.S. businessman—but he must work for it. Sales competition from Europe and Japan is as keen as the opportunities are great.

For many businessmen the best way to ensure long range markets may be through establishment of a local operation.

Bolstered by the prospect of steadily rising petroleum revenues—some estimates of annual income from these sources by 1970 have been as high as $1 billion—the Iranian Government has undertaken an ambitious economic development program intended to raise the country's output and living standards significantly. This 5½-year plan, budgeted at $2.667 billion, will require a host of goods and services, many of which can only be obtained from abroad.

Iran's oil industry has produced an annual flow of more than $400 million in foreign exchange, a figure which should increase very substantially, due to a recent revision of Iran's agreement with the Oil Consortium and bonuses for new concessions rumored to bring in as much as $200 million.

Iran realizes, however, that it cannot rely solely upon oil to expand its economy, despite continually increasing production and proven oil reserves estimated at 35 billion barrels. New industries are needed to create jobs for the urban labor force, greatly swollen by the influx from the villages.

To reverse the current 75-25 ratio of rural-to-urban population, Iran believes there must be massive investment in industry and agriculture in the next 30 years. Government planners believe it is essential to plan on the interdependency of industry and agriculture.

Small scale

Iranian industries are small in scale, but plans are being drawn for modernizing existing factories and broadening the present range of industries. Greater stress is being laid on the development of industries using domestic raw materials and on increasing farm production through mechanization and well-drilling. Attempts are also underway to spur the development of new industries in northwest and south Iran, to exploit mineral resources (lead, zinc, chromite, and copper) for export, expand the road and tele-communications network, increase the electrical power supply, and improve port facilities.

Aside from oil, Iran's major industries are textiles, sugar, cement, and vegetable oil and shortening. Steel and petrochemical industries using the unlimited supply of natural gas and recently-discovered iron ore and coal deposits are planned. Other projects under consideration include paper and sheet glass industries, modernization of city sewage disposal systems, and expansion of cold storage and slaughterhouse facilities in main marketing centers. Iran also plans to establish a stock exchange, to expand tourism, and to exploit Persian Gulf fisheries.

Iranian authorities appear determined to maintain financial stability while vigorously pressing ahead with economic development. To ease the pressures resulting from increased Government expenditures and higher imports, steps already have been taken to raise additional revenues and ensure closer scrutiny of imports.

Imports of a variety of consumer and less-essential items are restricted, while most developmental goods remain freely importable. This trend is expected to continue in the Iranian year which begins March 21.

A second trend, which appears to be gathering strength, is the protection of local industry and encouraging the development of productive industries. This policy has resulted in an outright ban on imports of all sizes of tires competing with those manufactured locally, and imports of competitive pharmaceuticals have been restricted.

Cuts red tape

The Government has also eased formalities for local investors interested in establishing industries for textiles, food processing, chemicals, construction materials, metalworks, and electrical goods. It has also published new regulations governing the assembly of domestic cars and trucks, and radio and television sets.

Manufacturing regulations for other local industries can be expected in 1965.

The private sector has a leading share in the development of the country's economy and only certain industries which, due to their nature and capital or technical requirements, are limited to the public sector. Iran invites foreign private capital investment, as well as technical and managerial know-how, and

is especially interested in aiding joint ventures or licensing arrangements with Iranian partners.

Since this policy is plainly geared toward protection and expansion of domestic industry, many foreign manufacturers are finding that the best way to establish a foothold in this market is by local production, either through licensing arrangements or direct investments with Iranian companies.

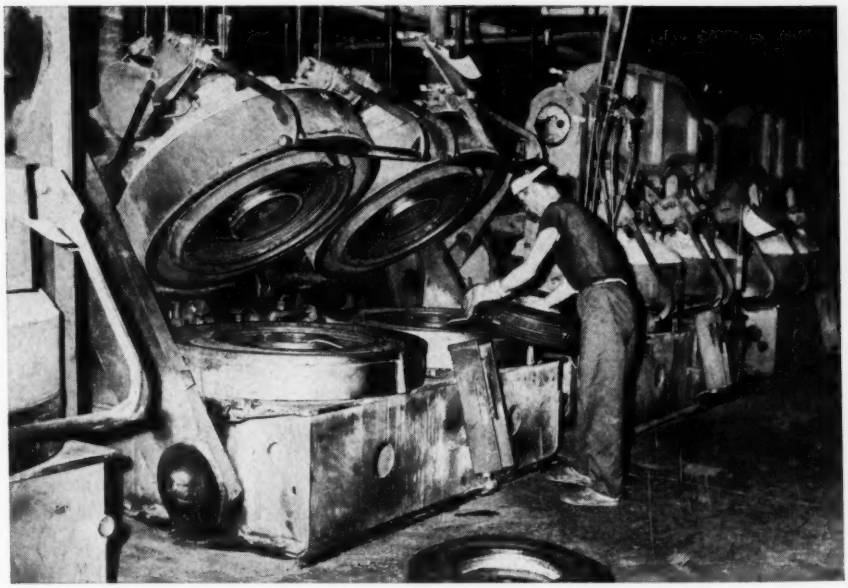
Commercial practices and procedures vary from those in our country. However, many American firms have taken the plunge. Central Bank statistics for new foreign private investments over the past seven years show that the U.S. accounted for $8.9 million of $19.1 million total. B.F. Goodrich's successful endeavor has encouraged General Tire to come in and the production of these enterprises is expected to meet the bulk of the domestic market's demand for tires and tubes by October. Procter and Gamble, through its Swiss subsidiary, has expanded its detergent factory. Kimberly Clark and Colgate-Palmolive now manufacture or package facial tissues, toothpaste, and soap in Iran.

American Cyanamid and Pfizer have joined Don Baxter in pharmaceutical manufacturing, Esso has a lubricating oil blending plant in operation, Electric Storage is to produce dry cell batteries, Philipp Brothers and American Metal Climax are mining chrome, lead, and zinc deposits, and Fairhurst of San Francisco is managing the Caspian Forests.

While sales of a wide range of consumer goods should be adversely affected by rising import barriers, the market outlook is good for industrial, agricultural and road construction machinery and equipment.

Export-Import Bank financing and FCIA insurance are playing a key role in expanding sales of U.S. products and services to Iran. The U.S. Embassy's Commercial Newsletter also publicizes business offers from the United States, and is distributed monthly to over 300 selected firms and government agencies.

Competition, especially from Germany and other Western European nations, is stiffening. There is still plenty of room for aggressive American enterprises with quality capital goods, backed by proper and prompt servicing facilities. To succeed, U.S. firms should follow the example of their European counterparts who frequently have resident representatives familiar with local business practices, capable of readily evaluating marketing possibilities and authorized to extend credit.



B. F. GOODRICH'S plant in Tehran turns out all kinds and sizes of tires used in the Iranian market.

Near East publications

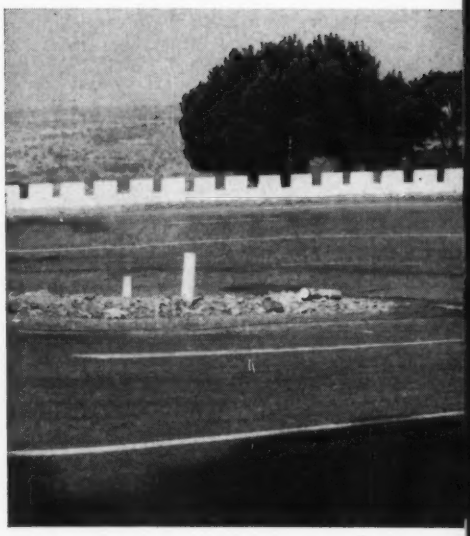
Current Overseas Business Reports on the Near East Market which may be obtained for 15 cents each at any Department of Commerce Field Office or from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C., 20402:

Basic Data on the Economy of Aden and the Federation of South Arabia (OBR 64-71)
Basic Data on the Economy of Cyprus (OBR 63-16)
Investment Factors in Iran (OBR 63-15)
Market Factors in Iran (OBR 63-152)
Selling in Iran (OBR 64-86)
Basic Data on the Economy of Iraq (OBR 63-154)
Foreign Trade Regulations of Iraq (OBR 64-131)
Selling in Israel (OBR 65-1)
Foreign Trade Regulations of Israel (OBR 64-30)
Basic Data on the Economy of Jordan (OBR 64-106)
Establishing a Business in Kuwait (OBR 63-91)
Basic Data on the Economy of Kuwait (OBR 63-146)
Establishing a Business in Lebanon (OBR 62-41)
Market Factors in Lebanon (OBR 64-32)
Preparing Shipments to Saudi Arabia (OBR 62-28)
Basic Data on the Economy of Saudi Arabia (OBR 64-40)
Basic Data on the Economy of Syria (OBR 63-165)
Investment Factors in Turkey (OBR 63-137)
Foreign Trade Regulations of Turkey (OBR 64-52)
Selling in Turkey (OBR 64-97)
Basic Data on the Economy of the UAR (OBR 63-95)
Foreign Trade Regulations of the UAR (OBR 63-143)
Selling in the UAR (OBR 63-160)
Market Factors in the UAR (OBR 64-117)

Other Commerce Department Publications dealing with the Near East, which are available from the same sources, include:

World Survey of Civil Aviation: 1960-62. The Near and Middle East. 36pp. 20 cents.
The Market for U.S. Microwave, Forward Scatter, and Other Radio Communications Equipment and Radar in Israel, Kuwait, and Turkey (1961-62). 10 cents each.
The Market for Selected U.S. Household and Commercial Gas Appliances in the UAR, Iran, Iraq, Jordan and Lebanon (1962-63). 10 cents each.
Kuwait, a Market for U.S. Products. 1963. 22pp. 25 cents.
Saudi Arabia, a Market for U.S. Products. 44pp. 40 cents.

FUN LOVING Lebanese truck drivers take great delight in charging up the steepest hills in third gear.



THE MORE TURNS THE BETTER in a sturdy U.S. truck

Lebanese like the 'extra'

Quality, value of products important, but a special touch makes the sale

By JOHN C. WEISERT
Commercial Attache
U.S. Embassy, Beirut

Gypsy Rose Lee, according to the musical fable and Broadway success based on her life, was instructed very early that "You Gotta Have a Gimmick" to succeed.

Playgoers will recall how in this 1959 smash hit, the three ancient strippers inducted the young Gypsy into their art—one with a horn, another with flashing lights, and the third with "finesse."

Now "gimmicks" are handy sales tools, but by themselves they won't sell U.S. merchandise in Lebanon. Solid quality, value, and profitable application are necessary basics before the "gimmick" can be useful.

If we give "gimmick" the good connotation of "a little something extra," however, we are then talking about something U.S. manufacturers will know how to provide.

Attention reaps rewards

In fact, it is the "something extra" in the face of intense competition from all the world in this hard money market of Lebanon, which has kept the U.S. in number one position.

As a guideline for future U.S. sellers, one or two specific marketing problems should be examined to see how U.S. industry has successfully solved them, thereby opening the floodgates of orders from this vigorous little country.

Lebanon, in the interest of health, a clear atmosphere, and tourist promotion, passed an anti-diesel engine law a few years ago.

Aided by this law, U.S. truck builders right now have virtually captured 100% of the important truck market of Lebanon from all other competition. U.S. sales managers studied the terrain and driving habits of Lebanese truck drivers and discovered that the driver's greatest joy is to negotiate a steep mountain grade in third gear.

Trucks to please

So U.S. truck makers sent in trucks with engines and axle ratios that would please the Lebanese driver as well as the fleet operator, who also possesses the same adventurous spirit as his driver. Competitors stayed with the more conventional ratios and lost out.

Today, as this article goes to press, many U.S. truck manufacturers have six to nine months backlogs in their order books—certainly any sales manager's dream.

U.S. earthmoving machinery manufacturers also have overcome higher prices, wage rates and freight rates with extra values that keep the U.S. machines in the sales forefront. U.S. automotive genius now makes Alfa-Romeos, Jaguars, and Volvos run for cover with its Barracudas, Mustangs and Wildcats and other new models.

U.S. gets major share

The Lebanese customer, skilled in buying for 3,000 years, is able quickly to appreciate the customer-pleasing devices in U.S. cars. As a result, measuring in dollar sales, the U.S. is getting a major share over any other country of the Lebanese market.

If we add to this GM's and Ford's British and German models and Chrysler's French models, U.S. market dominance in the automotive field is overwhelming.

Apart from heavy equipment, Haspel suits, U.S. Hi-fi, U.S. drugs, and razor blades are outstanding sales successes. Opportunities exist in every field.

Paint, for example, is a profitable field for many U.S. manufacturers. One manufacturer had a special rust-proof paint that would fight the salt air that corrodes so much iron work each year. This manufacturer brought in his product and with its "something extra" he has captured a neat segment of a market most market researchers would call "saturated."

Abundant tourist facilities

Lebanon is an extraordinary country of 2 million highly intelligent people. It

lesigned to handle the most challenging hills (and drivers).

NOT A CRATE LOST as the truck, none the worse for its constant climbing, reaches level terrain.

is a tourism country, a place where people can come for fun and vacations, rest, and good food.

Lebanon has sea and mountains, so all items which appeal to sports and tourism (this includes all types of hotel equipment, sporting equipment, or stereo equipment for night clubs) can be sold here.

The hotel industry alone can be a target for any number of U.S. sellers. After all, a West Virginia glass manufacturer did get the order in world-wide competition for all the glassware in Intercontinental Hotel Corporation's new Phoenicia, where the plumbing, air conditioning, and parts of the elevator system were all American.

Right now, the Phoenicia is going ahead with its plans to add 250 more rooms while several other hotel syndicates discuss plans that could result in another 1200 rooms and baths.

A U.S. manufacturer with advanced special equipment, whether it be a diving board complex from San Diego or off-floor bidet and water-closet models from Chicago, should have his sales staff in touch with the hotel architects.

Another asset

Prospective sellers in Lebanon have another plus for 1965 added by the Department of Commerce's Bureau of International Commerce and the American Embassy, Beirut, in a new Beirut "Sample Display Center" where U.S. products can be shown and distributor-finding service given.

Thus, if you have a product which is not too large in size, you have only to get in touch with the Commercial Exhibits Division, Bureau of International Commerce, Department of Commerce, Washington, D.C., 20230, to initiate action.

Nothing, of course, takes the place of making your own calls, but if you can't, the Embassy and Commerce Department will bring agents to your merchandise.

In general, sales success in Lebanon will be reflected almost immediately in inquiries and sales in Syria, Iraq, Jordan, Saudi Arabia, Kuwait, and other Arab states.

Aggressiveness means sales

In spite of some socialized economies, good sales are being realized by aggressive U.S. manufacturers in those countries and this, plus value of representation in Lebanon, should be taken into account in any sales effort here.

Making economic forecasts in a world as volatile as today's is not easy. Lebanon, however, is doing splendidly; and has done well, with minor setbacks, for hundreds of years.

The colossal oil wealth of the Middle East will continue to find Lebanon's banks a haven, and Lebanon's climate a reason for frequent visits to escape desert heat and boredom. In 1965, the green light is on for good immediate sales for U.S. products in Lebanon.

Loan to finance Turkey's commodity imports from U.S.

The Agency for International Development has extended $70 million in U.S. loan funds to Turkey to finance purchase of U.S. commodities essential to the Turkish development effort.

The development loan will fulfill a U.S. pledge made in December 1964. It is part of a free world contribution being made in support of the Turkish development program by members of the Consortium for aid to Turkey.

The Consortium, sponsored by the Organization for Economic Cooperation and Development, includes Austria, Belgium, Canada, Denmark, France, Germany, Italy, Luxembourg, Netherlands, Norway, Sweden, Switzerland, United Kingdom, U.S. and the International Bank for Reconstruction and Development.

Of the total loan, $40 million will cover imports during the first six months of 1965, with the remaining $30 million for the last half of the year.

Commodities to be purchased in the U.S. are expected to include industrial machinery, yarns and fibers, and motor vehicle parts, non-ferrous metals, industrial chemicals and lubricants.

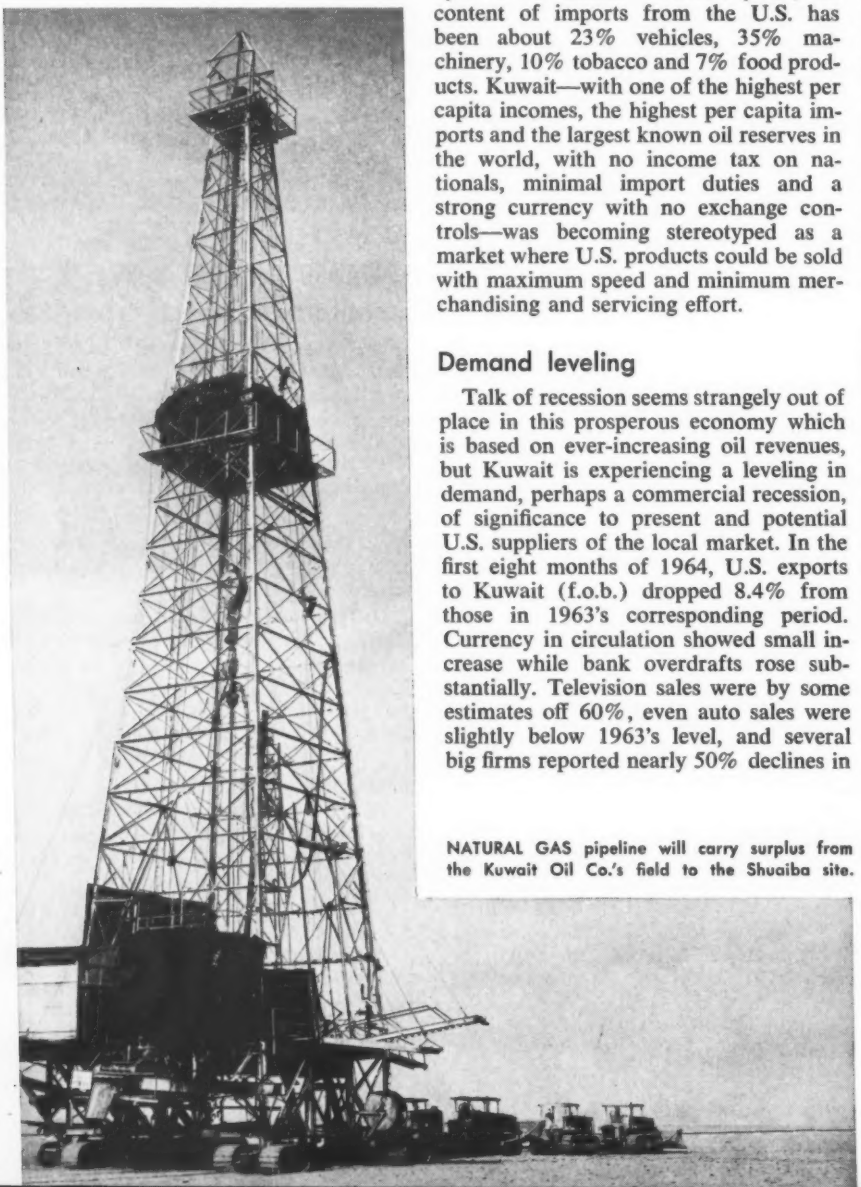
Kuwait spurs diversification of industry to offset glutted consumer goods market

Easy boom days over, but potential still lucrative for U.S. exporters who can meet ever-increasing competition in price and design of products

By JOSEPH W. TWINAM
Economic Officer, U.S. Embassy, Kuwait

Kuwait's economy may be reaching a turning point requiring interested U.S. businesses to re-examine their attitudes on market potentials. For more than a decade "Kuwait" has meant "boom"—oil boom, construction boom, consumer spending boom. U.S. exporters of consumer goods—radios and television sets, air conditioners and refrigerators, frozen and canned foods, and especially automobiles—have been riding successfully and rather effortlessly on the crest of this boom—joined, of course, by their colleagues in the lines of construction and oil field equipment. Many major U.S. producers in these lines have already established representation here.

For the past three years, the United States has been the leading exporter to Kuwait. Imports from the U.S. of $67 million in 1963 were 20% of all Kuwaiti imports and exceeded the sales of the closest competitor, the United Kingdom, by over $5 million. In recent years, the content of imports from the U.S. has been about 23% vehicles, 35% machinery, 10% tobacco and 7% food products. Kuwait—with one of the highest per capita incomes, the highest per capita imports and the largest known oil reserves in the world, with no income tax on nationals, minimal import duties and a strong currency with no exchange controls—was becoming stereotyped as a market where U.S. products could be sold with maximum speed and minimum merchandising and servicing effort.



NATURAL GAS pipeline will carry surplus from the Kuwait Oil Co.'s field to the Shuaiba site.

Demand leveling

Talk of recession seems strangely out of place in this prosperous economy which is based on ever-increasing oil revenues, but Kuwait is experiencing a leveling in demand, perhaps a commercial recession, of significance to present and potential U.S. suppliers of the local market. In the first eight months of 1964, U.S. exports to Kuwait (f.o.b.) dropped 8.4% from those in 1963's corresponding period. Currency in circulation showed small increase while bank overdrafts rose substantially. Television sales were by some estimates off 60%, even auto sales were slightly below 1963's level, and several big firms reported nearly 50% declines in turnover from the previous year. Among the reasons advanced for the business lull are:

- Lessening of the stimulus provided by the government's land purchase program through continuing heavy private investment abroad.
- Delays in government construction projects at a time when private construction is slackening and private industrial schemes are largely still on the drawing board.

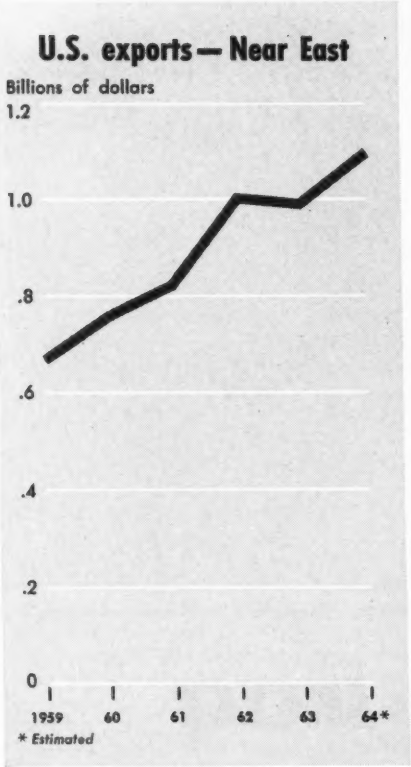
As government and business discussed methods of cooperating to start the commercial sector moving again, it was generally agreed that the basic cause of the commercial recession was saturation. A community of less than half a million people will buy only so many vehicles, appliances and food products, despite its affluence. The market in Kuwait for the moment, may have reached its natural limit.

U.S. exporters, in maintaining or establishing markets, will face not only the sales resistance and price discrimination normal to developed consumer markets but also an ever-sharpening competition from European, Japanese and other Asian suppliers. The major role that government tenders play in the local economy makes U.S. products especially vulnerable to the inroads of those from countries with lower labor and freight costs. Kuwaiti merchants also complain that some U.S. firms are too slow in answering inquiries and delivering shipments.

There are still lucrative markets in Kuwait for U.S. producers willing to meet price and design competition from abroad, but exporters already represented or seeking representation should make certain that their Kuwaiti agent is among those active, well-financed firms which are successfully streamlining their organizations and interests and upgrading the quality of their merchandising and maintenance facilities and personnel. Especially by providing the local luxury of good repair work can U.S. producers offset the lower prices of their competitors. Kuwait has gone modern. Only forward-looking Kuwaiti agents and foreign principals are likely to survive the increasing competition.

Market changing

Kuwait is not only becoming a tougher market but also a different type of market as it works toward transition from an oil town on a consumer goods spending spree to an economy based on sophisticated and diversified industry. The symbol of this transition is the new Shuaiba Industrial Complex which will utilize government-supplied electric power and con-



verted sea water and the Kuwait Oil Co.'s surplus natural gas in establishing a petrochemicals industry. Foster Wheeler Ltd. is constructing four plants to produce daily 2,000 tons of urea, ammonia, ammonium nitrite and sulphuric acid. This petro-chemical complex (costing about $30 million) is intended as a nucleus around which chemical and related industries will develop.

Rising alongside the fertilizer plants will be Kuwait National Petroleum Co.'s 80,000 barrel per day refinery. Fluor Corp. has the contract to plan and supervise the construction and operation of this $100-million refinery. Collins International will lay the natural gas pipeline from the Kuwait Oil Co. field to the Shuaiba site. These companies join Pomeroy-Hawaiian Dredging Co. (constructors of Kuwait's port), Parsons Engineering Corp. (consultants for Kuwait's fresh water supply system) and the U.S. oil producing and drilling companies on the list of U.S. firms which have participated directly in Kuwait's economic development.

Industries to be diversified

In addition to the Shuaiba activities, which are closely related to Kuwait's limited range of natural resources, the Government has determined to bring diversified industry to Kuwait to lessen the country's almost total dependence on imports for manufactured and processed goods. Under the National Industries Law now in draft form before the National Assembly, the Government will issue permits to 51% Kuwaiti-owned firms wishing to commence manufacturing here. Low-interest government loans and low-rent industrial sites will be available to offset economic disadvantages of high labor costs and heavy freight charges on raw materials. In issuing permits, the Government seeks to restrict production in each field to the foreseeable demand of local and neighboring markets. So far, 20 requests for industrial permits have been received. They cover activities ranging from production of tires, batteries and electrical cables through animal feed and macaroni processing to the making of perfumes and paint.

The new industries offer marketing opportunities for U.S. processing machinery exporters. U.S. manufacturers of the products contemplated in the industrialization program will doubtless be struck by the presently limited market for the produce of Kuwait's new factories but it is likely that restrictive tariff walls will be erected to protect these infant industries and raw materials will be given duty-free access. This fact, in conjunction with the movement toward an Arab Common Market and the long-range purchasing potential of the oil-rich Gulf area requires U.S. producers to examine carefully, as their competitors abroad are doing, the desirability of establishing joint ventures or licensing arrangements for the finishing or assembly of their products in Kuwait.

A separate area of interest to U.S. firms is the proposal to relieve Kuwait's dependence on desalinization by bringing 120 million gallons a day of fresh water from the Shatt-al-Arab in Iraq. Eight consulting firms including Hazen & Sawyer, Buck, Seifert & Jost and Metcalf & Eddy from the United States have been invited by the Planning Board to submit proposals for this project. In early 1966 contracts for pipeline, pumping stations and reservoirs should be let. This project, carrying with it the promise of limited agricultural production, especially of feed grains, in Kuwait, offers numerous opportunities for U.S. producers.

The markets are here for U.S. business —for exporters represented by Kuwaiti agents, for manufacturers and contractors in partnership with Kuwaiti firms and for consulting firms registered with the Planning Board. The easy days may be over, but for the interested and energetic U.S. firms there are still plenty of purchasers in Kuwait—and they buy in hard currency.

BUSINESS INTERVIEWS

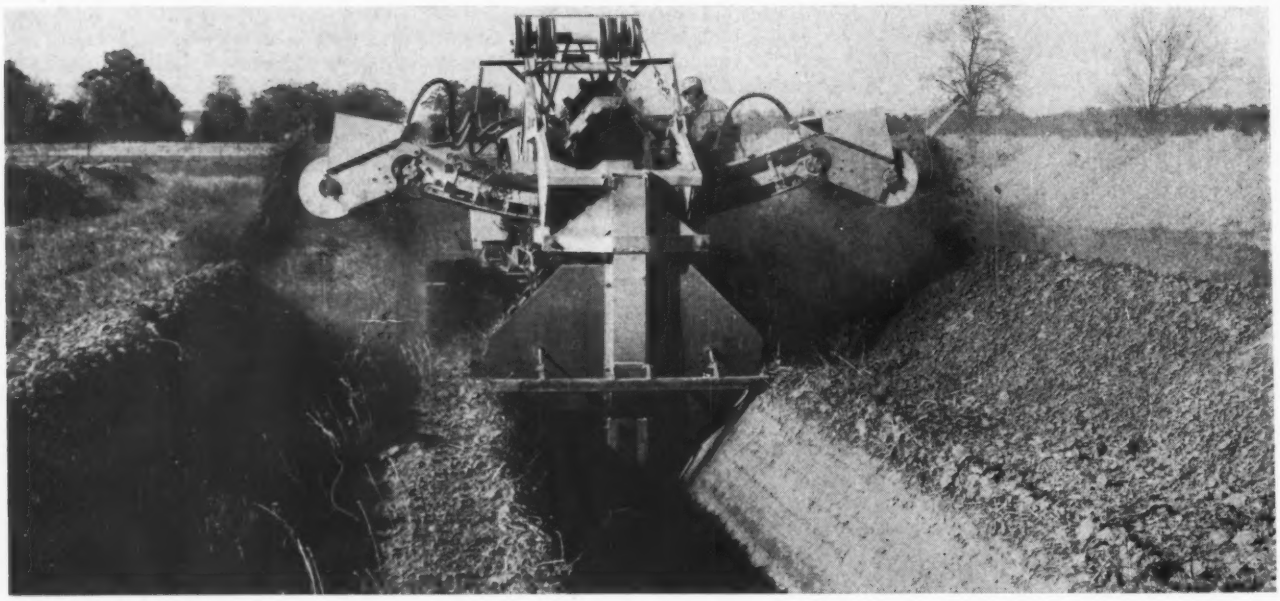
John F. Troy, on home leave from his post as Commercial Attache at Buenos Aires, Argentina, will be available for business interviews in the New Orleans Field Office of the Department of Commerce on Feb. 1 and 2.

Variations on a theme: U.S. exports to the Near East

(In thousands of dollars)

Country or area	1962	1963	January-November 1963	January-November 1964
Total,[1] Near East	1,003,193	987,852	896,989	937,282
Aden	3,364	5,880	5,212	4,812
Arabian Peninsula states [2]	14,592	17,603	15,283	14,586
Cyprus	6,401	3,505	3,220	4,464
Iran	97,162	90,178	79,652	105,765
Iraq	34,566	32,832	29,219	52,783
Israel	174,910	167,481	154,723	165,464
Jordan	20,880	37,103	32,906	19,101
Kuwait	63,869	59,998	54,518	48,645
Lebanon	43,361	51,217	45,582	51,292
Palestine	58	135	133	122
Saudi Arabia	77,460	69,326	59,501	79,164
State of Bahrein	8,757	8,998	8,274	8,029
Syrian Arab Republic	29,485	15,161	13,760	9,702
Turkey	193,938	218,658	202,938	144,386
United Arab Republic	234,390	209,777	192,068	228,967

[1] Excludes military shipments.
[2] Includes Yemen, Sultanate of Oman, Trucial Sheikhs, Qatar.
Source: Bureau of the Census, U.S. Department of Commerce.



FARMING IS EASIER with use of U.S. agricultural equipment, which finds a receptive market in Near East countries making efforts to increase food production.

Enterprise sells in Iraq

U.S. as leading supplier can increase sales through careful study of import needs

By JOE LILL
Commercial Attache
U.S. Embassy, Baghdad

When 1964 returns are complete, the U.S., with sales of about $60 million, should show up as Iraq's leading supplier.

This will be a first—with an assist from PL-480 wheat shipments—but this lead can be maintained and increased.

Opportunities will be present, for Iraq has begun an ambitious program of infrastructural and industrial development that will require a myriad of products from industrialized nations.

Important projects—two extensions to Baghdad South power station by General Electric and its civil sub-contractor, Sanderson & Porter of New York; a rayon plant by Didier of Germany; and the U.S. designed and supervised Medical City and new Baghdad University projects —are well under way.

Contracts for other major projects, including a sugar plantation at Amara, a sulphur recovery plant at Kirkuk and the supply of 10 kw. transmitters for new television stations at Basra, Kirkuk and Mosul, are scheduled for signing.

Oil for development

Half of Iraq's growing revenues from oil, $350 million last year, is allocated to the Development Budget drawn up by the Economic Planning Board. A new five-year plan is being prepared and should go into effect in April. In some instances, long-term financing will be sought from foreign and international sources.

Many U.S. companies actively compete for supply and construction contracts in various areas of the development program. Competition is keen, particularly from European and Japanese companies, and Iraqi contractors also will be making important contributions. Many of the contractors, however, are potential users of U.S. products.

Government encouragement

The U.S. Government is actively interested in Iraq's economic development. This interest is shown in its encouragement to U.S. companies to work in Iraq, by Export-Import Bank loans for Westinghouse and General Electric power extensions, by the Bank's willingness to consider financing other projects, and by supply of surplus agricultural commodities under Title IV, Public Law 480.

U.S. companies may utilize reports and tender documents sent to the Department of Commerce by the U.S. Embassy and the Consulate in Basra, in following opportunities offered in economic projects as well as offers to supply the running needs of government agencies and factories. Information is available from the Field Offices or the Bureau of International Commerce in Washington.

Import program plans

The Iraqi Government has announced that the 1965 import program—import license allocations for producers' and consumers' goods—will remain at the 1964 level of $392 million. The U.S. share of this market could be increased.

The article, "Nationalization Moves Disrupt U.S. Sales Channels to Iraq," (INTERNATIONAL COMMERCE, November 23, 1964), noted that importation of pharmaceuticals, automotive and allied products, and certain other commodities has been reserved to government trading monopolies.

Although foreign suppliers were upset by disruption of long-standing trading relationships with private Iraqi companies, the market is still here. In fact, opportunities are appearing for more U.S. exporters to sell to the trading monopolies and the nationalized factories as new managers begin to look about for more promising sources of supply.

An enterprising New Yorker recently arrived in Baghdad with 10 suitcases packed with samples of women's and children's clothing. His goods were displayed to importers in the shop of a prominent merchant who agreed to become his agent.

Modest start

Immediate sales were modest—perhaps $15,000—since import licenses were not yet issued for 1965, but buyers were impressed with the display and the American will return in a few months with winter samples.

Iraq buys only 5.4% of its imported ready made clothing from the U.S. but this percentage could rise perceptibly.

The U.S. supplies less than 1% of Iraq's imports of raw and tanned hides, razors and razor blades, writing paper, synthetic textiles, man-made fibers and iron and steel rods, angles, wire, pipe and tubes. It sells Iraq less than 5% of her water pumps, steel sheets and plates, cotton textiles and alcoholic beverages, and less than 10% of her wrapping paper, cast iron pipes and tubes, glassware, perfumery, cosmetics and wines.

Close calls on contract awards

Two U.S. companies very nearly missed out on multi-million dollar equipment contracts last year because their representatives had not been around supporting and encouraging local agents.

The U.S. suppliers finally realized, after Embassy and Commerce Department prodding, that their products were wanted. One agent thought his principal's product would never sell in the face of European competition; the other failed to inform his principal adequately.

Despite these examples, Iraq is well supplied with informed, competent, and aggressive businessmen. A good agent is an asset, particularly in competition for government tenders where strict bidding requirements are too often either overlooked or disregarded by uninitiated foreign suppliers.

Agents ready to serve

U.S. firms often are frustrated by failure to obtain tender documents in time, failure to obtain replies to questions about specifications, unfamiliarity with the required bank guarantees (which must be established with an Iraqi bank), and uncertainty as to whether their bids arrived by the closing date. The right agent can provide timely information and advice—and often will submit the bid in his own name if he has been given such authority.

Now that many excellent Iraqi firms have lost their principal lines to the government monopolies it should not be difficu't to find an agent with a record of efficient service to other U.S. or European companies.

The price tag is important in Iraq. For this reason a British firm is supplying sanitary ware for Medical City even though the specifications were American. Iraqi merchants who can find a market for European, Japanese or Chinese goods do not import higher priced wares from the U.S., as doing so would reduce their profit margins. As one American remarked, "These businessmen bargain with very sharp pencils." They have to, since the competition from East and West is growing keener every day.

Credit helps sales

Supplier credit has become a necessity for Iraqi contractors who are awarded large government tenders. A road contractor recently bought eight scrapers and three bulldozers from a Belgian company after failure to obtain financing either from the U.S. or England. The Belgian terms were no down payment, 30% 70 days after shipment and the remainder in 24 monthly installments at 8% interest. The contractor was not required to establish a bank guarantee.

A local distributor of scientific equipment imports from European firms on open account. He is in a position to offer credit to his customers. A British TV manufacturer has also offered liberal facilities to his Iraqi distributor. These are suppliers who judge their Iraqi dealers on their merits as good business risks.

Not all importers need or even desire outside financing.

Aid for U.S. exporters

Export-Import Bank guarantees and F.C.I.A. insurance are being utilized by some U.S. exporters to Iraq.

Salesmanship by correspondence is better than none at all but it has limitations. The export manager of a U.S. firm with prospects for substantial sales to Iraqi contractors on large government building projects has never met his agent, is unfamiliar with business practices in this area, or even with the full extent of his own company's opportunities both here and elsewhere in the Middle East.

The average Iraqi is aware that U.S. firms supply automobiles, tires, earth-moving machinery, combines, refrigerators, stoves and air conditioning units. He assumes the U.S. cannot compete in anything else. Many U.S. companies have only the vaguest notion about Iraq, its trade practices and market possibilities. This mutual ignorance is the greatest stumbling block to increased trade with Iraq.

Visit, meet traders

Any firm with a competitive product should consider sending a representative to investigate this area. Those who come should plan to spend a few days as it takes some time to study the market and meet the right people. No one should restrict his visit to the city of "A Thousand and One Nights" to a single day.

Yankee traders and Iraqi traders usually hit it off very well.

Arab Petroleum Conference set

The fifth Arab Petroleum Congress will be held in Cairo, March 16 to 25. The Congress also will include an exhibit from March 6 to April 7 which will be open to U.S. manufacturers of equipment related to the production and refining of petroleum.

Jordan proposes sulphur mining joint venture

A Jordanian firm with headquarters in Aman is seeking a joint venture with a U.S. firm experienced in mining and extraction of sulphur to exploit sulphur deposits in the Jordan Valley.

These deposits are reported to be located along the Jordan River, extending 17 kilometers north of the Dead Sea. Preliminary studies indicate 35 million metric tons of pure sulphur in total ore bodies of 400 million metric tons.

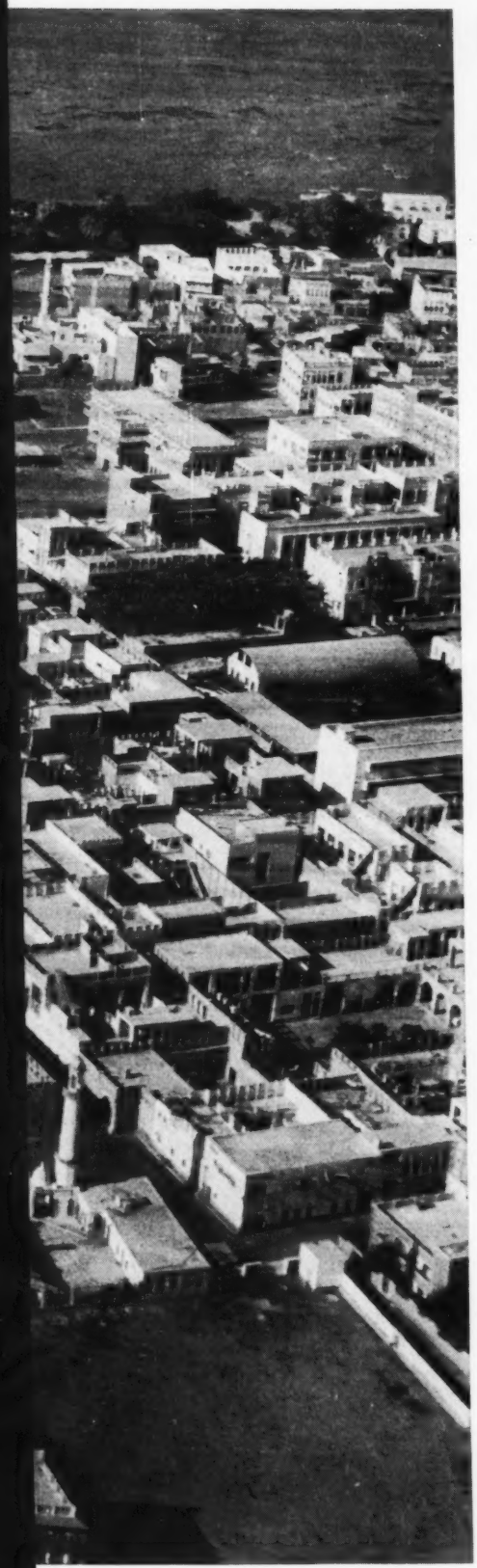
Based on information supplied by an Italian firm, sulphur can be extracted by a flotation process at a cost of approximately $16.80 per ton at an annual production level of 30,000 tons.

The current market price of sulphur in Jordan and the Near East claimed by the Jordanian firm to be around $56 per ton.

According to the Jordanian company, its concession from the Ministry of National Economy requires the beginning of exploitation operations by May 15. To meet this requirement it is neccessary to begin construction of mining facilities by that date.

In addition to capital participation, managerial, marketing and technical services would be required of the U.S. joint venture partner.

Write: Jordan Sulphur Mines Development Co., Ltd., P.O. box 1073, Amman, Jordan.



In Gulf States, steady upswing is evident, with opportunities for trade found in abundance

Booming oil incomes, development plans make picture bright as airport, housing and water projects are given green light

By EUGENE H. BIRD

Economic Officer, U.S. Consulate General, Dhahran

Sparked by substantial development programs in Bahrain, Qatar and Dubai and backed by burgeoning oil incomes in all three market areas, opportunities for increased U.S. trade with the Lower Persian (Arabian) Gulf states continue to grow.

The year 1965 will see continued work on a multi-thousand-unit housing scheme in Bahrain markedly improving chances for the sale of modern appliances, automobiles and furniture.

In Qatar, a new airport terminal is presently under tender, some 400 low-income houses are planned, and the Government has already awarded two new contracts for developing the port of Doha. An Iranian consulting engineering company is surveying a sewer and water project for the capital city and a cement factory proposal from Germany is under consideration.

In Dubai, construction of a deep water (38′ draft) pier has been awarded to a British firm and planning is going forward for a new corniche and for a new palace for the ruler, business-like Shaykh Rashid. An additional 100 units of low-income housing are being planned.

Nearby, in Sharja, an additional deep-water pier has been contracted to a German company with a breakwater enclosing a harbor for ocean-going vessels. Individual market analyses present the country-by-country picture:

Bahrain. Nineteen sixty-three imports were valued at $69.5 million. In the first nine months of 1964, imports reached $56 million for the island shaykhdom, a substantial increase over the first three-quarters of the previous year.

This reflects in part a substantial new development scheme calling for the building of 2,500 homes in Shaykh Isa Town, within sight of the famed 100,000 "tumuli" of ancient Dilmum. This initial part of the new town will be completed in 1965 and will be followed by two additional projects of identical size in the next five years. The town will include a modern stadium, shopping center and fine new school buildings.

Smaller development projects in some of the six villages on Bahrain and in the larger towns of Muharraq and Manama are already under way.

The Government is completing an economic survey of the island this month, to be followed by a full census. This is preliminary to drafting a new economic plan developing the considerable possibilities for service industries to the oil economies of nearby states. Bahrain is looking forward to increased revenue from the offshore Abu Sa'fah Field, shared with Saudi Arabia and expected to be in production by mid-1966.

The island will seek to maintain its commercial leadership in the Lower Gulf area by constructing a commercial TV station expected to be completed by early 1966.

Ten million dollars in annual sales to Saudi Arabia based on the traditional transit trade are being threatened by recent new regulations, but the island is expecting to at least maintain its present import level as a result of new government measures to stimulate the economy. Bahrain will soon issue its own dinar currency with backing of the currency from its own reserves in London, to replace the present Gulf Rupee.

Qatar. The outlook in 1965 has been brightened by an announcement by Shell of Qatar that substantially increased production is being planned for offshore oil fields.

The Government is embarking on significant new development programs, including:

- An airport terminal estimated to cost $700,000.

BREATHTAKING BAHRAIN is going through many changes to be measured in Government survey.

• 400 houses to be constructed by local contractors and sold on very long terms to low-income families.

• The letting of two contracts for improving the port of Doha, including a pier for berthing ocean-going ships.

Doha is also being surveyed by Iranco, an Iranian firm planning installation of sewer and water pipes in the capital at an estimated cost of $7 million.

A new cement factory is being studied by the Krupp organization and the government will soon let out a contract for a new Government House.

A Qatar national bank and a national insurance company are still being planned by the Government. Local chamber of commerce sources estimate that imports to Qatar during 1964 will increase 20% ($28 million c.i.f.) over 1963, again reaching the high 1962 level.

The same sources also predict that because of special conditions Qatar merchants will purchase extraordinary stocks during 1965. Foreign firms, particularly, are expected to build up substantial stockpiles as a hedge against a new Government decree establishing a January 1966 cut-off date for the holding of agencies by foreigners. Nineteen sixty-five will thus be a transitional period for such firms. Commercial suppliers are still studying the expected effect of the new decrees.

Dubai. While this country remains a relatively small $22 million market, the United States substantially increased its participation from less than 2% to almost 9% in 1964. Supplies for the American-owned Dubai Petroleum Co. accounted for much of this increase.

Transit traffic to the northern Trucial States and to Abu Dhabi amounted to some $100,000 per month, mostly in hard goods.

Shaykh Rashid continues to make substantial improvements in this metropolis of 70,000 and the creation of deep-water piers at Dubai and at Sharja only 12 miles away should substantially lower trans-shipping costs and make the market in the Trucial States more accessible to American suppliers.

BUSINESS INTERVIEWS

Gilbert E. Larsen, recently Commercial Attache at Mexico City, Mexico, and soon to be Commercial Attache at Madrid, Spain, will be available for interviews with businessmen in the St. Louis Field Office of the Department of Commerce on Feb. 1 and 2; the Chicago Office on Feb. 4 and 5; and the Cincinnati Office on Feb. 8 and 9.

Kebab or meza, take your pick

Suggestions offered for U.S. businessmen planning occasional or frequent visits to Near East nations

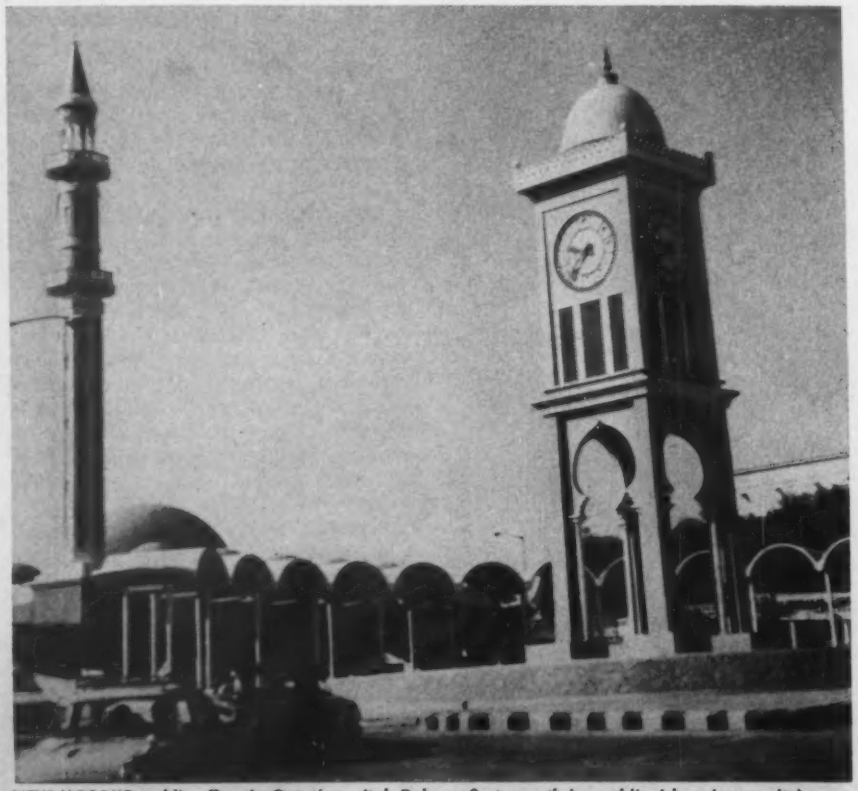
By HOWARD M. ZIMMERMAN
Near East-South Asia Division, BIC

More and more American businessmen are taking a close-up look at Near Eastern markets. They have discovered that here, as elsewhere, good customer relations are important. Time taken to meet and select a distributor, bring an agent up to date on recent product changes, or consult with an important customer on difficult aspects of a major sale, pays real dividends.

Trips to the Near East by U.S. businessmen no longer are thought of as a grand adventure. What was once a remote part of the world is now as close as the nearest telephone. An 11-hour flight from New York lands the visitor in Beirut, Lebanon, often called the gateway to the Near East.

U.S. airlines service the Near East with regular and frequently scheduled flights. Travelers will find air connections within the area good but advance reservations from the States difficult. Visitors also are well advised to check onward connections within the area as soon as possible. One can expect an occasional change in local flight schedules.

Comfortable lodgings may be found in most major cities. In such larger tourist-oriented cities as Beirut, Cairo, Jerusalem and Tel Aviv, luxury accommodations are available, including hotels operated by Hilton, Sheraton and Intercontinental. Rates vary from about $8 to $20 per day with breakfast (including a 10-15%



NEW MOSQUE, public offices in Qatar's capital, Doha, reflect growth in world's richest (per capita) area.

service charge automatically added to the bill). Tipping in excess of the service charge is customary but ordinarily should not exceed 10%.

Delicacies

With Western-style meals to be found in most parts of the Near East, visitors also have the opportunity to sample local specialties—from real shish kebabs to meza. Some of the finest fruit in the world is grown in the Near East; however, if these delicacies cannot be eaten in a reputable hotel, restaurant or private home where cleaning is carefully supervised, it is perhaps safer to eat only those fruits which can be peeled. In the few places where tap water is deficient for drinking purposes, boiled or distilled water is provided.

Taxis are available in major cities and are inexpensive, but service at certain times of the day may be difficult to obtain. Taxis afford an alternative to other means of travel when relatively short distances are involved. A private taxi from Beirut to Damascus, for example, costs about $10 (cheaper than air travel) and offers the traveler a pleasant 2-hour sightseeing trip across the Lebanese mountains as well as direct hotel-to-hotel service. Private cars—rentable in some major cities—are strictly for the initiated or those dedicated to reckless living under prevailing traffic conditions and local driving habits.

Fall, spring delights

The best months to travel in the Near East are in the fall or spring. From May to October skies are cloudless and rain seldom if ever falls—most of the area's rainfall occurs from December through March. Visitors arriving in the fall or spring will often be delighted to find a moderate climate with pleasant daytime highs alternating with cooler nights.

Clothing of lightweight fabrics is the most practical. A vest or sweater might be packed with a light topcoat in anticipation of occasional cool evenings.

Conventional good manners and consideration for the customs and beliefs of one another prevail in the Near East as elsewhere. Visitors will find their hosts good-humored, kind and informal. Appointments are needed for business and government calls. Commercial officers in the American Embassy or Consulate General frequently can assist here.

Tri-lingual

Knowledge of English and French is widespread in business circles and these two languages in addition to Arabic (Hebrew in Israel) are spoken in most hotels and larger shops, in Government departments and by most telephone exchange operators.

Travelers to the Near East will find a blending of Occident and Orient as well as modernity with the traditional. Consequently, the traveler may experience the paradox of feeling at home while at the same time being confronted with new customs. These usually pose no problem—cases of "cultural shock" are rare.

In most Near East countries and major cities, usual forms of entertainment are widely available, particularly in Beirut, which is an international resort attraction. In Saudi Arabia and Kuwait, alcoholic beverages may not be obtainable because of a religious ban on their consumption. Entertaining in these countries is done in the home, where American visitors will find their hosts generous.

Hospitality

Near Easterners are justifiably famous for their hospitality. The typical merchant combines traits of business acumen and graciousness. Few visitors leave a business or government office without the ubiquitous cup of coffee over which business or the weather is discussed. It is customary for a visitor to be offered coffee, tea, fruit juice, or a soft drink, and a visitor making several calls during a day can count on a generous intake of non-alcoholic beverages.

The typical merchant operates on a non-Western "time sense." Traditionally, life is not based on precise time schedules and few will allow themselves to be hurried to satisfy any Western-style lightning appointment schedule.

Undue haste in conversation is frowned upon, since impatience is considered a sign of bad manners. It is usual to spend a few moments in polite small talk in opening a conversation.

Businessmen usually will not hesitate to speak their mind and welcome an open discussion. Most are well informed on international business developments and well aware of competitive factors.

Mistakes to avoid

Caution is advisable in expressing admiration for any of the hosts' possessions

The author recently returned from a trade promotion trip to the Near East and will be visiting Department of Commerce field offices in St. Louis and Dallas (Feb. 10-12). U.S. businessmen wishing an appointment with him should contact those field offices.

NILE HILTON, Cairo, thrusts skyward, featuring rooftop restaurant, garden for summer dancing.

AL KHOBAR, Saudi Arabia, shopping area is frequented by Aramco housewives like the pair crossing the street. (Photograph courtesy of Aramco)

for, in keeping with Arab custom, the visitor may be embarrassed by having an object offered to him then and there as a present.

Local politics is not a good topic of conversation and one does not normally inquire about the health or whereabouts of any female members of the family.

In some countries, Americans may find the "majlis" style of interview disconcerting—that is, an interview in which the host discusses business with you while several others may be comfortably seated in the same room either waiting their turn or joining helpfully in your conversation. The American sense of privacy may be wounded, but the Near Eastern sense of politeness is served by not keeping friends and callers waiting in an anteroom. This practice may not be consistently encountered, but it is likely that the visitor on an extended visit to the area will meet it on at least one or two occasions.

Business cards are an asset. They can usually be printed locally in two or three days' time at the most. English-speaking secretarial help may be hard to find.

On work days, commercial offices are usually open in the morning and evening with the hot afternoon hours usually reserved for the big meal of the day and a siesta. During the winter months, however, offices may adopt the "nine-to-five" regime.

The weekly sabbath in Moslem countries is Friday; in Israel it is Saturday. The most convenient time for calling on Government officials and businessmen is from about 9 a.m. to noon, and Western businessmen must familiarize themselves with the dates of national or religious holidays.

Shopping can be an exciting experience in the Near East, particularly in the souks (bazaars) of most older cities where almost everything, including the kitchen sink, may be purchased. The Near East offers many shopping specialties including brocades, linen or cotton goods, gold and silver, jewelry, camel saddles, leather ottomans, and handbags, inlaid bone cutlery, knit clothes, rugs, copper and brass, semi-precious stones, antiquities, other handicrafts and souvenir items.

Places to explore

Businessmen with a few spare hours will find the Near East, cradle of history and three world religions, lavish in places of historical interest. Remnants of ancient civilizations offer the amateur historian and shutterbug many hours of pleasure. Photos are forbidden in strategic areas.

Travelers require a valid passport with appropriate visas, except for Israel, where no visa is required. Visas must be checked carefully as some provide for only one entry into the country. In some countries a separate exit visa is required. Travel to the Arab States from Israel is restricted. Evidence of inoculations is required for presentation at the port of entry. Information on required inoculations is available from the U.S. Public Health Service.

U.S. businessmen preparing to visit the Near East can consult with their nearest Department of Commerce field office for background information. The field office will also arrange to forward a copy of the visitor's itinerary to the appropriate foreign-service posts overseas with a request for appropriate assistance. Business travelers will find it to their advantage to visit Embassy commercial officers who will help them avoid "false starts" and make their visits both productive and pleasant.

Faisal plans for growth

Accession of new monarch accompanied by rising confidence in business world

By WILLIAM O. SUGG, III,
and EUGENE H. BIRD
Economic Officers, U.S. Consulate General, Dhahran

Stimulated by a record Government budget of $692 million for the current fiscal year, and the accession of Faisal to the throne—welcomed by Saudi businessmen—1965 prospects for increased American sales to Saudi Arabia are very bright.

The budget is the dominant factor influencing the level of economic activity outside the oil industry and is the main instrument by which the country's large earnings from its petroleum exports are channeled into the economy. Standing at a level 15% above that of the previous year, the new budget, balanced for the sixth consecutive year, reflects an expectation of further steady increase in petroleum revenues.

A significant part—$169 million, or about one-fourth of the total—is marked for development projects such as roads, port improvements, an expanded telecommunications network, surveys for underground water and mineral resources, development of agriculture, and other nation-building activities. Substantial amounts are allocated for expansion of the school system, new hospitals and clinics, and improved municipal services such as water and sewer systems. Additional funds are available from unexpended portions of the previous year's development budget.

With growing petroleum exports and no need to allot foreign exchange for repaying the external debt (liquidated in 1963), Saudi imports should reach a new high in 1965. The Government, which through development spending determines to a large degree the level of imports, usually purchases through local agents and importers and not directly from foreign shippers.

Few curbs

In contrast to most other developing countries, Saudi Arabia, with a favorable balance of trade, a stable currency, and more than $600 million in gold and foreign exchange reserves including currency cover, imposes no general import restrictions. Prohibitively high tariffs on foreign imports also are absent since the country has few manufactures of its own. Tariff rates are generally moderate and many articles are free of all duties. Imports of some foodstuffs and drugs are subsidized by the Government.

In the Saudi fiscal year 1961-62—the last year for which detailed statistics are available—imports totaled more than $256 million. The United States was by far the largest single supplier, with sales of over $50 million, or about one-fifth of the total. While U.S. exports to Saudi Arabia in calendar 1963 amounted to $69 million and recent figures indicate a sizeable increase in 1964 over 1963, there is reason to believe that American firms can increase their sales even more in 1965.

Among the more significant opportunities for exports to Saudi Arabia are road construction and transport equipment, including automobiles; electrical appliances, particularly air conditioners and refrigerators; hospital equipment; automotive spare parts; foodstuffs, especially rice, wheat flour, milk products and canned fruits and vegetables; iron bars and sheets, and pipe; chemical products, particularly medicines, drugs, soaps and detergents; and rubber and rubber products, including automobile and truck tires.

Given the rising level of prosperity and education attainments of the Saudi population, there are increasing opportunities for sales of stationery and office supplies, and school and office equipment and furniture. Small but growing markets are developing for many items which were all but absent from Saudi stores a few years ago, such as phonographs and phonograph records, photographic equipment and supplies, toys, sporting goods, and small boats and motors for recreational purposes.

Perhaps the most rapidly developing market area in the Kingdom is the Eastern Province. Its consumer population includes 5,000 Americans resident in

BAND AIDS are in stock, along with numerous other sundries at New Alahalee Drug Store in Al Khobar.

three oil company towns but important new markets are to be found among the rapidly westernizing local population of half a million. Oil-company employees, including more than 10,000 Saudi citizens with earnings (the highest in the Middle East) at an average of $2,200 a year plus fringe benefits, continue to be leading customers for new products.

The acceleration in the expansion of the market for a wide variety of goods is suggested, for example, by a four-fold increase in a single year in the sales of frozen chicken in Riyadh, and by an almost 50% increase in the tonnage handled by Dammam port between 1963 and 1964. A heavy increase in consumption of electric power, a planned 100% expansion in cement production, new poultry and shrimping efforts, a Government grain-silo scheme, and plans for paint, lube-blending and many other light industries are other indications that the Eastern Province has become one of the most active new markets in the Middle East. Land and building prices have risen sharply in the past year, with demand for space for new business property coming from investors resident in Kuwait.

The recent announcement that a contract between the Government and a California firm had been signed to establish and operate in conjunction with private investors a 600-ton-a-day ammonia plant and a smaller sulfur plant, at a cost of more than $20 million, is an important step in assuring Eastern Province merchants concerning the future of the market.

In the Western Province, Jidda's prospects as a major market area have been heightened by projects including a small petroleum refinery now being established to supply the local fuel market, and an iron and steel rolling mill, initially intended to produce construction materials from imported pig iron but which may expand into the processing of local ores. At an earlier stage is consideration of a combined water-desalting and electric-power-generating plant, the feasibility study for which was prepared by the U.S. Department of the Interior and presented recently to King Faisal. Execution of this project should go far to assure continued power and water to sustain Jidda's vigorous expansion.

Confidence

Although money supply remains relatively tight compared to other Middle Eastern boom areas, the banks report increased confidence in the continued growth of the economy.

The Eastern Province market is especially strong in automobiles, trucks and road-building equipment, with one of the largest orders in Saudi history for U.S. multi-lane equipment already en route and several Province-based companies bidding on road projects involving hundreds of kilometers of construction in the next two years. Contracts for 12 new schools are out for tender and several hundred modern houses will be built in 1965 in the vicinity of oil-company towns or by employees under an exceptionally liberal housing scheme.

Electric-power costs are to be cut sharply with the introduction of new gas turbine generators made under contract with Westinghouse. The two most important towns of the Eastern Province, Al Khobar and the port of Dammam, have consolidated their electric utility companies and have adopted 110-volt 60-cycle current as standard. Sales of many appliances—and particularly air conditioners which have become a neces-

U.S.-MADE TRACTOR at work on major expansion of road network. Saudi Ministry of Information photo.

sity for the local population—are expected to increase sharply as electric rates are cut from their present 6.2¢ per kilowatt hour to 5¢ and eventually to 4¢ or less.

A building and construction boom and a cement shortage offer opportunities for increased sales of construction machinery, building materials and hardware.

The planned 1965 opening of television stations in Jidda and Riyadh (combined population: over 300,000) presents an excellent opportunity for sales of television receivers designed to receive the European standard picture.

Farm supplies

The emphasis on development of agriculture should lead to a growing potential for sales of irrigation equipment and agricultural tractors and implements. Seeds and feed grains for the rapidly expanding poultry industry should also be marketable by U.S. exporters here.

Reflecting the high level of business activity in Saudi Arabia is the recurrent congestion of the country's main port, Jidda, which has resulted in freight surcharges. This situation, however, should be alleviated by a planned expansion of port facilities.

In spite of our present predominant position in the Saudi market and the opportunities it offers, American exporters should realize that foreign competition is strong and growing stronger. Many European and Asian firms offer more favorable credit terms than do American suppliers, which usually ship only on the basis of a confirmed letter of credit.

Competitors of the United States are stepping up the tempo of their promotional activities in Saudi Arabia through such means as trade fairs, advertisements in local newspapers, calls by their representatives on Saudi business firms, and by invitations to leading businessmen to visit their production facilities.

Keeping in touch

American companies interested in exporting to Saudi Arabia are likely to be most effective when they send representatives to study local market conditions and call personally upon local businessmen and government officials. All inquiries from Saudi firms demand answers, even if the replies are negative, in order to maintain a reputation for cooperativeness.

Supplying catalogs directly to selected businessmen, and mailing trade magazines and other promotional literature to the chambers of commerce in the larger cities in Saudi Arabia are useful steps. While Saudi businessmen would appreciate receiving letters in Arabic, most of the larger firms are able to carry on their correspondence in English.

Promising contacts can be encouraged to visit the United States and to tour American factories.

Since most Saudi business firms are generalized and deal in many different types of products, American companies may miss the boat if they are unduly restrictive in insisting on certain types of experience when selecting local distributors.

Exporters have an interest in maintaining the good reputation of American firms for timely deliveries. Delays in shipment have resulted in criticism of some of our foreign competitors for shortcomings in this respect.

One activity which has until now been comparatively small in terms of our overall trade with Saudi Arabia—but which could be of greater significance—is the sale of American "know-how" by engineering and other consultant firms. With so much at stake in its development projects, the Saudi Government is most anxious that projects be conceived and executed in the light of the most recent scientific and technical knowledge. It has, therefore, engaged the services of a number of foreign consultant firms, including several American companies, to conduct feasibility studies relating to development projects, and for design and construction supervision of the various projects under way.

While American investment in the nonpetroleum sector of the economy has heretofore been slight, the passage of a Foreign Investment Code, as well as other steps now under consideration to improve the investment climate, has generated a rising interest among Saudi businessmen in joining forces with American companies to manufacture products locally, either under licensing arrangements or on an equity basis. One example was the recent construction of a Tide plant in Jidda. Such arrangements offer possibilities in another area in which American "know-how" can be sold in Saudi Arabia.

Room for more farm machines

Manufacturers can find growing, rewarding markets

By F. M. JOHNSON
Business and Defense Services Administration

The Near East countries include slightly over 150 million acres of arable land and land under permanent crops, and approximately 375 million acres of permanent meadows and pastures. The population is predominantly agricultural with about two-thirds of the active population engaged in agricultural occupations.

Mechanization of agriculture is in its infancy in this area, which is being farmed with 125,000 to 150,000 wheel and crawler tractors. This compares with a U.S. tractor population (wheel and crawler) of approximately 4.7 million units for a farm area about twice the size.

Production of farm machinery in the Near East is confined almost wholly to simpler pieces of equipment. The only established tractor plant is in Turkey. For the most part, farmers are dependent on outside sources for satisfying their machinery requirements.

U.S. farm machinery exports to this area totaled $5.22 million in 1959 and increased slightly to $5.5 million in 1960. Substantial increases in 1961 and 1962 resulted in a total export volume of $9.1 million and $13.4 million, respectively. A large drop in shipments to Iran, the United Arab Republic and Israel in 1963 caused a decrease in total exports to $9.7 million.

Iran

Slightly over half of Iran's population is engaged in agricultural occupations on about 44.5 million acres of land. The country has been endeavoring to improve its agricultural situation over the last few years through increased agricultural acreage, greater use of fertilizer, pest control, and mechanization.

Government policy calls for maintaining the level of farm mechanization already attained while seeking expansion temporarily only in the direction of the virgin lands scheme, a part of the Third Plan. At the same time, a need for improved repair facilities and improved stocking of spare parts is recognized. The Under Secretary of Agriculture recently commented on the inadequate knowledge of most farmers regarding mechanized agriculture, tractor handling and servicing, and the coming fundamental problem

of human displacement by tractors.

In the last 7 years 6,500 tractors and slightly over 1,000 combines have been sold in this country. The sale of both tractors and combines increased from 1958 to 1962, when 1,225 tractors and 168 combines were purchased.

The sale of these products plunged in 1962-63 when only 133 tractors and 6 combines were sold. A major factor in the sales decrease appears to have been uncertainties arising from the land distribution program.

Germany has been the largest tractor supplier during this 7-year period, furnishing 1,519 units, with the United States and the United Kingdom second and third. The largest supplier of combines was the United States, with the United Kingdom second.

Last month, Iran's first tractor-assembly plant was opened. Its output target is 600 tractors for the coming year. This is a joint Iranian-Swedish venture and is the largest in the Middle East.

Iraq

Iraq has about 28.5 million acres of arable land and land under permanent crops and permanent meadows and pastures, with 3,000 to 4,000 tractors currently operating.

Various agricultural reform programs have been launched in the last few years. One phase is the cooperative movement designed to improve credit facilities as well as carry out an educational program.

The country depends primarily upon imported machinery to fulfill its requirements, but efforts have been made to establish an assembly plant capable of assembling semi-knocked-down tractors.

Over the past year Iraq has budgeted a substantial sum of money for purchasing machinery for agricultural stations and irrigation projects. The Minister of Agrarian Reform recently stated that a mission would be sent to the United States in the near future to purchase approximately $1 million worth of machinery.

U.S. exports of farm machinery to Iraq showed progressive gains from $305,300 in 1959 to a peak of $1.6 million in 1962. A drop-off occurred in 1963 when total exports to that country amounted to only $1.2 million.

Israel

Israel's arable land and land under permanent crops and permanent meadows and pastures total 2.7 million acres. A smaller proportion of her population is active in agricultural occupations than that of any other country in the Near East —farming fewer acres with fewer people and one of the largest populations of tractors, approaching 10,000 wheel and crawler units.

This newer nation has reached self-sufficiency in many crops and has exportable surpluses in many others. The policy of the Minister of Agriculture is to stress production for export.

Commodities still in deficit are meat and sugar, with lesser deficits in grains, vegetable oils and oil seeds.

A number of agricultural reform plans are being carried out with water development, land development, and resource stations in the foreground.

Israel primarily is dependent on imports for obtaining farm machinery and equipment, despite quite a few smaller enterprises assembling tractors and other farm machinery and equipment.

U.S. exports of farm machinery and equipment to Israel show steady increases from $852.3 thousand in 1959 to a total of $3.6 million in 1962. A drop-off to $2.4 million occurred in 1963.

Syria

Syria has some 31.4 million acres of arable land and land under permanent crops and permanent meadows and pastures. Approximately 70% of the total population depends directly or indirectly on agriculture.

Various laws have been enacted to improve working conditions in the agricultural sector, which provides about 60% of total national income. Agrarian reform measures are aimed at providing the peasants not only with sufficient land, but also with access to sufficient water, fertilizers and insecticides. Cooperative and collective farming plays a part.

With a view to establishing a tractor-assembly factory, Syria has a study under way and is preparing to issue a call for bids for local assembly of the selected tractor and implements.

Annual exports of farm machinery from the United States to Syria were approximately $250,000 in 1959-61 but increased substantially to the million-dollar level in 1962 and to $2.1 million in 1963.

Turkey

About 75% of Turkey's total labor force is engaged in agriculture, farming about 135 million acres of arable land and land under permanent crops and permanent meadows and pastures.

It is estimated that 50,000 tractors are used in Turkish agriculture. A substantial number are over 10 years old and include units made by manufacturers in many countries. This has created a service problem in stocking repair parts for the many different makes, and the proportion of inoperative tractors in Turkey is relatively high.

Turkey has one tractor plant in operation but still imports a large proportion of its total requirements. U.S. exports of farm machinery and equipment to Turkey fluctuated slightly under $2 million yearly in 1959-62 but increased to $2.5 million in 1963.

OLD AND NEW methods compete in the Near East. On the left are the traditional oxen and wooden plow, on the right, a Deere & Co. tractor with disk plow.

Rules for engineering consultants vary among Near Eastern countries

Development programs offer outstanding chances for consulting work; contracts frequently lead to sales of equipment and technical services

By K. L. KOLLAR

Director, Water Industries and Engineering Services Division, BDSA

Planned expenditures on Near East development programs worth hundreds of millions of dollars over the next several years present outstanding opportunities for U.S. consulting engineers. Consulting contracts entered into by such companies frequently lead to subsequent sales of equipment and technical services, especially where they include preparation of specifications and tender documents.

Near Eastern countries of special importance to engineers include Iran, Iraq, Israel, Kuwait, Lebanon, Saudi Arabia, Turkey, and the United Arab Republic. All have special regulations governing the activities of foreign engineering consultants.

Iran

Although no license is required, an engineer's qualifications must be certified by the High Education Council of Iran. In addition, all engineers are required to obtain a Ministry of Labor work permit, issued by an Iranian diplomatic or consular agency, before coming to Iran.

A consulting engineering firm must have a local representative, not necessarily Iranian. After following the certification procedure outlined above, the representative must obtain a power of attorney from the firm and submit this along with the firm's charter to the General Registration Office of the Ministry of Justice. There are no requirements for local partners nor local employee participation in the firm. Contracts are usually awarded on the basis of a closed bid.

Iraq

Licenses are required and can be obtained from the Engineers Association in Baghdad. Applications are accepted only from engineers holding degrees from recognized engineering colleges. Non-Iraqis also must obtain work permits from the Directorate General of Labor.

There are no laws requiring local representatives or fixing the extent of local participation in a firm, but certain Iraqi Government agencies require that, where feasible, Iraqis be employed for training purposes. Engineering contracts normally are negotiated.

Israel

Engineers are not required to have a license but they must be recognized by the Government Council for Engineers and Architects. Graduates of recognized institutions and members of recognized professional bodies are accepted.

Every firm must be registered by furnishing the Registrar of Business Names and the Israeli Ministry of Justice a statement containing name, general nature and place of business, nationality and residence. There are no requirements for local representation or local participation.

Contracts are generally negotiated but sometimes are let on a bid basis.

Lebanon

Engineers are required to obtain a license to practice from the Ministry of Public Works, on the basis of which they are admitted to the Order of Engineers and Architects. A license is granted, if the foreign engineer's country grants reciprocity and 10 years have elapsed since he obtained his engineering diploma. All business establishments must also register in the Registry of Commerce.

A U.S. consulting engineering firm cannot practice without a local representative who meets the registration requirements mentioned above. A resident U.S. citizen does not qualify, since the U.S. Government does not grant reciprocity (each state in the U.S. has its own licensing requirements.) There are no regulations on local employee participation.

Contracts are either negotiated or bid. There is a tendency toward replacing competitive bidding with negotiations (preceded by prequalifications).

Kuwait

Engineers seeking to establish a private practice in Kuwait are required to obtain a license from the Municipality of Kuwait. Engineers employed directly by the Government for specific projects are not required to have a license.

Consultants for government projects are specifically exempted from Kuwaiti participation or agency requirements. In a recent announcement by the Kuwait Government Planning Board, consultants or architects directly or indirectly connected with manufacturers, material suppliers, contractors, commercial institutions, local agents, sponsors, or correspondents are disqualified from bidding on government projects.

Saudi Arabia

There are no requirements for licensing as such—registration of an engineering firm constitutes licensing. By obtaining contracts with the Government or the Arabian American Oil Company (ARAMCO), the two most likely clients, foreign engineers are, in effect, licensed to practice. Foreigners must register and obtain a residence permit.

Although local representation is not required, it is desirable. However, Saudi law prohibits non-Saudis from acting as exclusive agents for the services or goods offered by foreign firms. If the relationship is informal, this law would not apply.

Engineering firms locating in the country are subject to combining with a Saudi partner (51%), while the labor code requires 75% Saudi participation in the labor force and a 45% share in total wages. Normally, however, firms are brought in for one job and the labor code applies only to local employees. Contracts should provide for training programs and maximum use of Saudi labor.

Turkey

All engineers and architects are required to register with an appropriate chamber in the professional field, but only Turkish citizens can become regular members. Foreigners register on a temporary basis.

Foreign engineers cannot establish a business in Turkey. Turkish laws in effect confine engineers to employment with firms holding contracts for specific Government projects, or to work done as an individual under contract with Government organizations for a particular project. There are no specific requirements for local employee hiring. The nature of the project, the availability of local manpower, and the foreign exchange situation all help determine the extent of local participation in a contract.

Contracts may be bid or negotiated. Ministries and municipalities can enter into contracts only with the lowest bidder. Negotiated bids may take place with other government entities and private projects.

United Arab Republic

Foreign engineers must obtain a work permit from the Ministry of Social Affairs and Labor to practice in the United Arab Republic. A local representative must be Egyptian and be registered with the Ministry of Economy. Egyptian companies must be at least 25% government-owned to register.

Three market doors open

Sample Display Service running shows in Beirut, Manila and Bangkok for exporters

A firm that has never sold overseas can get into the export market by selecting a sales representative abroad.

A company already in exporting has a convenient way to increase the number of its overseas representatives.

A manufacturer whose goods and services fit the demands of an expanding market is rewarded with an inexpensive way to explore licensing or investment agreement possibilities.

These are a few of the benefits to the U.S. manufacturer who uses the Commerce Department's Sample Display service—now open in Beirut, Manila and Bangkok. A fourth, in Nairobi, is scheduled to open soon.

The showrooms, open to all U.S. manufacturers without charge, permits the exhibitor to display his products and literature at the U.S. embassies in Beirut and Manila and the Trade Center in Bangkok.

The displays are under the management of the commercial attaché in each city. The attachés recommend products to be shown and prepare market surveys saying which goods will sell best.

Because of space limitations, large, heavy products will not be accepted, but other display materials such as cutaways, models, films, and slides may be sent.

In Beirut, at the present time, products recommended include office machines, electronic equipment and high fidelity and stereophonic equipment; winter and summer sporting equipment; catering equipment; and housewares and gardening equipment.

The country has a strong liking for U.S.-made sporting goods and, except for tennis shoes, relies entirely on imports for athletic equipment. Sporting goods are distributed by importing wholesalers through retailers to the consumers.

American firms have been advised to enter the Lebanon market, for that country serves as the show window of the Middle East. If a product sells well there, chances are that it will have the same success in neighboring lands.

The list for Manila includes:

Plumbing fixtures and plumbers' brass; packaging machinery and accessories; canned fruit; office machines and appliances; irrigation equipment; automobile air conditioners; safety equipment; automotive hand tools; small vehicles; hand tools for households; teaching aids; and small portable power plants.

Also, furniture hardware; lawn mowers; automotive replacement parts; builders' hardware; nuts, bolts, rivets and similar construction items; inexpensive commercial scales; bourbon whisky; garden tools, plastic raw materials; paint pigments; tiles; novelty items, fads and status symbols.

No market surveys were available for Bangkok and Nairobi, but the commercial attachés in those two cities reported that sales prospects for the following products appear promising:

Bangkok

Adhesives; automotive service and maintenance equipment; books, magazines and periodicals; builders' hardware and supplies; canned and frozen foods; small electrical appliances; fertilizers; small gasoline engines; housewares; and insecticides.

Also, lapidary equipment; medical, dental and surgical equipment; office equipment; pharmaceutical and toilet preparations; sporting and camping goods; stationery supplies; and toys and games.

How does it work?

What is the Sample Display Service?

It is a means of providing low cost product display and demonstration space for the use of potential U.S. exporters. The program is conducted by the Bureau of International Commerce through Foreign Service Commercial Officers at certain overseas posts.

What is its purpose?

To assist U.S. firms in obtaining local agents, distributors, licensees or investors to sell U.S. goods abroad.

Is participation expensive?

Exhibit space and related services are free. Exhibitors pay only one-way freight and incidentals—packing, insurance and documentation fees—from plant to port of entry. Return shipments are at Government expense.

Is a company representative needed?

No. Commercial Officers on-the-spot will assist business visitors—but company representatives are welcome. All exhibitors must provide a display sample or an acceptable substitute, catalogs, complete price data, a letter introducing the company and its product to prospective local sales representatives, and instructions for demonstrating the product.

How long are samples displayed?

For 30 days. During this time Sample Display staffs will mount the exhibits, campaign to attract agents and distributors, demonstrate products, prepare summary reports for exhibitors, recommend the most qualified of the foreign representatives who express interest in a product and supply a business report on each of these representatives.

How are shipments arranged?

The Bureau of International Commerce prepares round-trip shipping instructions. The exhibiting firm is billed by the steamship company or airline only for one-way freight charges from U.S. port to foreign port of entry.

Nairobi

Canned foods; textiles; inexpensive ready-made clothing; hardware; office supplies and equipment; building materials; pharmaceuticals and toilet preparations; fertilizers; insecticides; small farm machinery; and irrigation equipment.

Manufacturers wanting to use the service may apply to the Bureau of International Commerce or to any of the Commerce Department Field Offices (see page 53 for names and addresses of the Field Offices). After processing applications, BIC will send shipping instructions to the manufacturers.

Lingerie makers have opportunity at Cologne fair

Firms not exhibiting products may use Information Center

U.S. manufacturers of lingerie and foundation garments are offered an opportunity to promote the sale of their products in Germany by submitting business proposals for the International Fair of Lingerie and Foundation Garments, to be held at Cologne, Germany October 14-17, 1965.

Last year almost 12,000 buyers attended the exhibition. With fourteen direct exhibitors and five subsidiaries of U.S. firms the U.S. constituted the second strongest foreign contingent at the fair.

Particular interests

The exhibits last year featured all kinds of lingerie and foundation garments. However, particular interest, and apparently brisk sales activity, centered on stretch straps, bra-slips and all-in-one (corselet) models. Below the knee and ankle-length undergarments as well as vests and camisoles were in great demand due to the winter season. All kinds of sleeping wear, such as pajamas, shorties, shift gowns and long fancy gowns with matching negligees were well received. Keen interest was also demonstrated in dusters and peignoirs made from knitted fabrics.

Preference also centered on seamless knit elastic corselets and padded brassieres, but other U.S. products such as panty girdles and lounging apparel were also much in demand.

Proposals submitted by companies interested in promoting their products will be discussed by members of the U.S. Foreign Service with businessmen who visit the Business Information Center at the Fair.

To submit a Business Proposal, firms are requested to provide answers (in triplicate) to the following 6 questions prior to August 1st.

- Do you presently have an agent, distributor and/or branch office in the country involved? NOTE: The Department of Commerce will not seek a substitute for an established agent, distributor or representative.
- What product or service do you wish to sell or offer?
- Are you seeking an agent or a distributor or do you wish to sell directly to the end user?
- Do you wish to make a direct investment, a joint venture or offer a licensing arrangement? If so, briefly describe your proposal.
- Do you wish to import? If so, describe the product of interest and the type of arangement sought.
- What type of firm is best qualified to transact your business? Firms are also asked to submit:

A concise summary of your Business Proposal in 35 words or less.

A recent copy of one of the following statements of commercial standing. (If you have filed within the past year, indicate date only.)

Department of Commerce Form IA-57 (available from Department of Commerce Field Offices.)

A current mercantile agency report.

A current bank report.

Pamphlets, brochures or other printed matter, up to 50 single sheets, in support of each Business Proposal in order to provide detailed information, such as weights and cubes and CIF prices.

Paths to exporting lie in exhibitions, U.S. trade missions

Consumers in other countries can be reached in several ways—among them international trade fairs, U.S. Trade Center shows and trade missions.

Dates of upcoming events in these categories are listed on the next page in the export expansion calendar.

Exhibits in commercial fairs where the United States is participating are selected after a careful study in the area has shown a need and a market for the products.

Portray Americana

U.S. national exhibits, usually held in developing countries and in Soviet-bloc lands, are staged to present a picture of life in the United States.

Trade Centers, located in London, Bangkok, Frankfurt, Tokyo, Milan and (starting next month) in Stockholm, are the scenes of exhibits limited to specific product lines. They are open by invitation to buyers, agents, wholesalers and retailers. Exhibiting firms must have their own representative at the show.

Trade missions go out from time to time to areas where market surveys have shown there is a good chance of increasing U.S. trade. Several U.S. businessmen go overseas and set up person-to-person contacts.

Several trade fairs in the calendar include a U.S. Business Information Center (BIC). These centers assist American manufacturers in locating agents and buyers.

Write: Bureau of International Commerce, Office of International Trade Promotion, Department of Commerce, Washington, D.C. 20230.

Every day—in many ways

The Export Expansion program is at work in the market places of the world.

Check the exporter's calendar, next page

Export expansion dates

Feb. 3 - March 3—BANGKOK Trade Center—building materials and hardware

Feb. 5 - 28—MONTEVIDEO—U.S. national exhibition (may possibly be in international industries fair)

Feb. 17 - 24—FRANKFURT Trade Center—jewelry and personal accessories*

Feb. 20 - March 20—PHILIPPINES—industrial machinery trade development mission

Feb. 20 - 27—MILAN Trade Center—high fidelity and stereo equipment*

Feb. 23 - March 5—LONDON Trade Center—U.S. Department of Agriculture exhibition*

Feb. 27 - March 27—INDIA—investment and industrial development trade mission

March 7 - 27—NAIROBI—U.S. national exhibition

March 8 - 16—UTRECHT—Royal Netherlands industries Fair—industrial and commercial gas equipment

March 8 - 19—TOKYO Trade Center—processed foods (USDA)

March 10 - 17—FRANKFURT Trade Center—business machines and equipment

March 16 - 26—STOCKHOLM Trade Center—packaging machinery and equipment

March 20 - 25—MILAN Trade Center—housewares

March 20 - 29—LYON—international trade fair (BIC)

March 20 - April 20—THAILAND, REPUBLIC OF CHINA—trade and development mission

March 20 - April 20—IRAQ, KUWAIT, LEBANON—trade expansion mission

April 7 - 14—FRANKFURT Trade Center—food processing, freezing and packaging equipment

April 14 - 25—MILAN Trade Center—U.S. Department of Agriculture—U.S. foods and agriculture

April 14 - 30—BANGKOK Trade Center—metal working equipment

April 16 - May 6—TOKYO—International Trade Fair—leisure goods and equipment

April 19 - 30—TOKYO Trade Center—air pollution control conference and exhibit

April 21 - 30—LONDON—International Engineering Exhibition—factory modernization equipment

April 24 - May 2—HANNOVER—International trade fair (BIC)

April 24 - May 9—LILLE—international trade fair (BIC)

April 30 - May 11—BRUSSELS—international trade fair (BIC)

May 5 - 12—FRANKFURT Trade Center—poultry equipment (tentative)

May 11 - 21—LONDON Trade Center—audio-visual equipment and training aids

May 15 - 29—TOKYO Trade Center—industrial pumps and compressors

May 15 - June 12—COLOMBIA—building and investment trade development mission

May 18-21—STOCKHOLM Trade Center—apparel fabrics

May 19 - June 2—BANGKOK Trade Center—air conditioning and refrigeration equipment (tentative)

May 21 - 31—BUDAPEST—U.S. national exhibition

May 22 - 29—MILAN Trade Center—industrial fasteners

May 25 - 28—FRANKFURT—Interstoff Fair—apparel textiles

June 1 - 15—BARCELONA—International Fair—hand-powered tools, light machine tools and metal working equipment

June 9 - 16—FRANKFURT Trade Center—factory and office maintenance equipment (tentative)

June 11 - 21—PARIS—International Aviation and Space Salon—products for aerospace industry

June 12 - 18—MILAN Trade Center—electronic industrial process controls

June 13 - 27—POZNAN—U.S. national exhibition

June 14 - 25—STOCKHOLM Trade Center—medical and surgical instruments

June 15 - 25—LONDON Trade Center—industrial design services (tentative)

June 16 - 30—BANGKOK Trade Center—hotel, restaurant and apartment house equipment (tentative)

June—TOKYO Trade Center—metal finishing equipment (tentative)

July 10 - 18—COLOGNE—International Meat Industry Supply Exhibition—machines for slaughtering, meat processing, packing of meat and meat products and cold storage equipment

July 21 - Aug. 4—BANGKOK Trade Center—textiles, men's and boys' wear, toiletries (tentative)

Aug. 17 - 26—STOCKHOLM Trade Center—training aids (tentative)

Sept. 4 - 19—ZAGREB—U.S. national exhibition

* Fully booked

PIZZA FOR THE LADY and doughnuts for the many are served at catering equipment show in Frankfurt.

MORE DOUGHNUTS (below) and an explanation of how cash register works (right) are given to visitors.

Trade show scuttles idea that U.S. goods are made to wear out

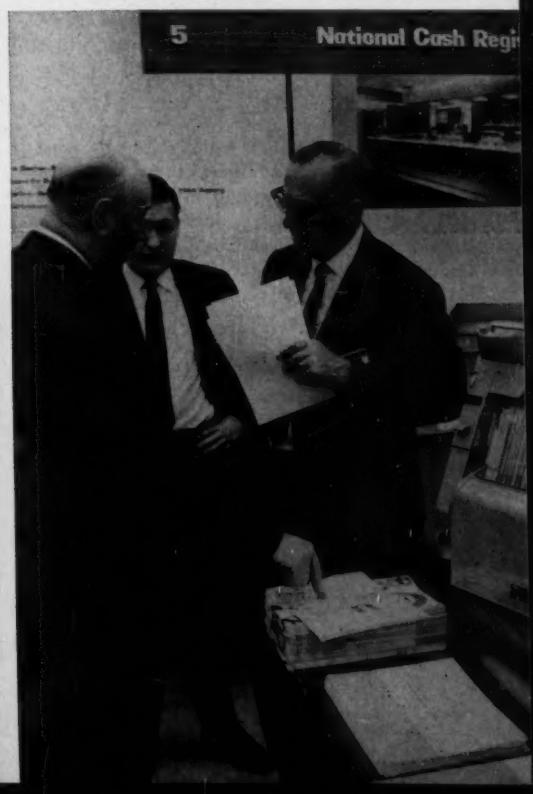
Are U.S. consumer goods made to last only two years?

The catering trade in Germany, according to one of the Federal Republic's leading cooking experts, thought so for a long time until the Jan. 13-20 show at the Trade Center in Frankfurt. This show completely corrected the false notion.

In many instances, he said, American catering equipment was better designed and made than German products and took account of basic everyday kitchen problems.

They saw products of 50 exhibitors, including beverage dispensers, charcoal broilers and pizza ovens, barbecue machines, revolving ovens, coffee makers, radionic broilers, glassware, automatic dishwashers, popcorn machines, grills, and many others.

The West German catering trade includes 120,000 hotels and restaurants, plus another 60,000 commercial and 6,000 institutional kitchens. Some 15 million Germans eat at least one meal a day away from home, and more and more factories are introducing in-plant cafeteria facilities. These factors rapidly outdate present equipment and create a continuous demand for new products.



International Trade Winds

HOTELS—New Delhi, India, and Cairo and Luxor, Egypt, are the sites of new hotels scheduled to be opened under partial ownership or management of Intercontinental Hotels Corp., wholly-owned subsidiary of Pan American Airways. Intercontinental is providing sales and reservations services, as well as other advisory functions, for the 350-room, $6 million Oberoi Intercontinental opening in New Delhi on March 1. The 500-700-room facility in Cairo, on the southern tip of Gezira Island, will be the Near East's largest, while the hotel in Luxor will answer the needs of increasing numbers of tourists visiting such antiquities as the Colossi of Rameses and the Temple of Luxor.

AUTOMATIC CONTROLS—Tork (Israel) Ltd., established in Haifa by Tork Time Controls, Inc., of Mount Vernon, N.Y., will manufacture automatic controls for agriculture, irrigation, lighting and other fields, beginning in March. Such controls are in particular demand in Israel because Orthodox Jews are forbidden by religious tenets to operate switches, etc., on the Sabbath. Once in full production, Tork will export its control mechanisms to the Mediterranean area and Africa.

INSURANCE—The American Foreign Insurance Association (AFIA), which has branches throughout South America, has added a new one in La Paz, Bolivia. Previously, a general agency handled AFIA business in the country. The United States Fire Insurance Co., one of AFIA's 13 member firms, is authorized to operate in Bolivia.

BEARINGS—General Motors GmbH, West Berlin, has produced more than 3 million bearing shells since going into pilot operation last April on production of engine bearings for Opel automobiles. Since September, the West Berlin facility has been meeting all bearing requirements of Opel's Russelsheim engine plant.

PAPER—The Kimberly-Clark Corp. of Neenah, Wis., is installing a $3 million high-speed creped wadding machine for Jujo Kimberly in Soka City, near Tokyo. Jujo Kimberly, making Kleenex and Kotex feminine napkins from U.S.-supplied wadding, is a jointly owned, separately operated company of Kimberly-Clark and the Jujo Paper Manufacturing Co., Ltd.

Days ahead began with solemn reverence

By Neil C. Hurley, Jr.

Chairman, National Export Expansion Council

WASHINGTON, D.C.—In crisp morning air January 20th, far from band and microphone, surrounded by family, friends and a hefty number of Washington leadership, the President of the United States walked between two rows of 50-foot high doric columns in a private ceremony at the National City Christian Church. Then an hour later he was at the Capitol, trumpets and tumult in front, being sworn again to attend the nation's most gruelling responsibility.

The President, at church, wore a dark, oxford grey suit, sat with head bowed in humility, and listened as clergy representing half a dozen religions led prayer for guidance. Mrs. Johnson was ablaze in the red American Beauty ensemble she would wear to the inauguration.

One cannot travel further, this visit reaching all the way to heaven and back, hopefully with no balance of payment deficit with the coins in use this day.

It is an elevating moment to witness a president at private prayer on Inauguration morning. Nothing approached the drama of this magnificently quiet reflective hour—not the splash of flags and color, noises, inaugural galas, nor the parties or music of bizarre and crowded fancy balls.

Time was moving rapidly to when Johnson would declare, "terrific dangers and trouble that we once called foreign now constantly live among us. We can never again stand alone, prideful in isolation." But first, he sat in this interdenominational church to have Dr. Billy Graham remind him that prosperity makes a nation soft. "We try stop-gaps," the preacher said in reverent rhetoric, "but problems are basically spiritual.

"You have received a mandate higher than the ballot box. It is your task to halt a growing spiritual vacuum in the nation. You hold the destiny of America and the world." Graham was there when the President took the same oath; then silently and alone that moment in Dallas, at the President's request, led him quietly in prayer for temperate strength.

Other ministers represented, included the rabbi of the Adas Israel synagogue, the Roman Catholic archbishop of San Antonio, and the pastor of St. Mark's Episcopal church of this city.

Customers of this column may wonder at this straying from airfields, docks and Americans who use them. In view of the subdued sermon-like inaugural address, such a prayerful beginning at the church on 14th Street at Thomas Circle on that scrubbed and clear morning, may inform one more of future international decisions than ten bills submitted to the congress.

Six days before, in company with a dozen others, this corner had talked trade at the White House for one hour and a half with President Johnson. As custodian of this space, we intended this week to report it. Some day soon we will.

But this unannounced visit to the National City Christian Church, as simple as a prayer from the lips of a nun, set pattern for what was to turn out a more religious inaugural than most.

An hour later, before more than a million people, he delivered what many have termed an invocation of his own. Those who work with matters abroad, who missed references to foreign trade, may take heart. The President is a master at change of pace, the playful bounce or words of fire. One thing we know. The coming Johnson years commenced on January 20 with solemn reverence.

No one can start better than that.

RAILROADER PAUL FAGAN talks about building business—including export sales for rail patrons—by promoting facilities of Reading Co.'s Port Richmond.

Railroaders look abroad

Reading line holds two-day sales seminar, delves into export marketing program

By JAMES ROURKE
Staff Writer

PHILADELPHIA—Don Kerr, who used to run a destroyer for the U.S. Navy, stood aboard a tug chugging up the Delaware River.

Astern, two flags whipped in the wind —the Stars and Stripes and, beneath it on the mast, a banner few aboard could identify. This one was boxcar red, with black diamonds in each corner and a black anchor across the middle.

With the piers and cranes of the Port of Philadelphia as reference points, Kerr guided the eye back from the waterfront to the Philadelphia skyline, then down to a steeple almost hidden by the skyscrapers.

BLACK DIAMONDS on red mark company's flag.

The steeple marked a place where a moment of American history was made. This city is rich in such places and it is apparent that Kerr, a soft-speaking man with close-cut gray hair, has more than a passing devotion to the history of his home town.

But Kerr is not a history teacher and this tug flying boxcar red was not a floating classroom.

Upstream from the graceful mass of the Ben Franklin Bridge, Kerr took the wheel momentarily and nosed toward the Pennsylvania shore.

There—and he pointed as he spoke—was Port Richmond, the largest privately owned marine and rail terminal in the country, a fully integrated port within the Port of Philadelphia.

The flag with the black diamonds belonged here. It belonged to the Reading Co., which owns Port Richmond, runs the Reading Railroad, and is campaigning to persuade its customers to take the Reading route to overseas sales.

Kerr is assistant to the vice president of marketing. His tug trip up the Delaware to Port Richmond was part of a two-day sales seminar that brought 70 Reading representatives from all points—the West Coast, the Midwest, the South—to talk about the railroad's marketing program, including a part in export expansion.

'Kit of tools'

At an informal dinner, E. E. Schnellbacher, assistant director of the Bureau of International Commerce, described the "full kit of tools" available to international traders through BIC—including U.S. trade centers and trade fair shows, trade missions to overseas markets, trade news and leads in INTERNATIONAL COMMERCE.

"We can never lose sight of the fact that the actual sales abroad of U.S. goods must be conducted by business," he said.

"It is true that we in Government can

help in many ways, through negotiations as well as through specific services. But business does the selling. . . .

"It is my hope that you railroaders will also keep everlastingly in mind that your rails go all the way to the shorelines of this country. You will have to do much more to promote a greater volume of goods to leave our shores."

Strategically placed

Reading's own network of tracks, covering 1200 miles, is confined to a relatively small area—eastern Pennsylvania, Delaware and New Jersey. But its employees—and there are almost 8,500—can be found in most of the major U.S. cities.

John W. Stewart, director of coal traffic, who made two export expansion trips to Europe for Reading in 1963, said 37% of the company's gross traffic revenue comes from handling anthracite and bituminous coal and coke. Last year, 2 million tons of U.S. export coal went through Port Richmond. But today the coal industry is declining.

(Later, talking of his European sales trip, Stewart told of stumbling onto a prospective customer who became a steady.

(A man in Genoa had been importing U.S. bituminous coal for use in a brick factory. He also wanted to get anthracite for space heating but he wanted each in half-cargo lots of 6000 tons. Returning to the United States, Stewart arranged for the two half-cargos to be shipped together.

("We've been selling him ever since—five cargos last year," Stewart said. "I'm convinced it couldn't have been done without the personal contact at Genoa.")

Going overseas

Paul Fagan, director of foreign freight at Port Richmond, discussed commodity movements. In quantity, grain was first last year—15.6 million bushels. Scrap iron was second—268,000 tons, or 47 shiploads.

Even now, ships from Africa and Scandinavia were anchored at Port Richmond piers, waiting out the East Coast dock strike so they could load and head for the high seas.

Kerr said 2,604 deep-draft dry cargo vessels tied up at the Port of Philadelphia last year. Of these, 849 docked at Port Richmond—representing more traffic than in 12 of the 19 East Coast ports.

Even so, Kerr said at dinner, "It behooves us to find new business to go over the rail to Port Richmond and thence to the ports of the world."

To help find such business, the Reading turned to BIC and the Commerce Department's Philadelphia field office for world trade leads to deliver to its customers across the country.

EXPORT PROMOTION is the topic. Conferees (left to right) are Don Kerr, assistant to Reading Co. marketing vice president; Fred Ludwig, railroad's Eastern sales manager; E. E. Schnellbacher, assistant director, Bureau of International Commerce, and Thomas Ramsey, railroad vice president for sales.

Since last summer, Robert J. Mulligan, assistant to the director of market research, has called regularly at the Philadelphia office for the latest leads from U.S. commercial attaches around the world. Mulligan copies and circulates them by the hundreds to Reading representatives from coast to coast.

"Its the best thing we've done in a long time," said Donald Sylvester, Reading man from Cincinnati. "Customers are surprised to find us knocking at the door offering them an opportunity for business. We're not just soliciting their business, we are trying to help them."

Jack Rose, the Reading man from Cleveland, concurred with the observation, saying "It's one of the best programs we've had."

Candidly, each said he could not trace to any one trade lead the dollar Reading got to ship goods. But Mulligan is sure such identification will be possible when Reading switches to a computerized traffic-control report system next year.

Ralph Dunn, director of market research, who outlined the system for the salesmen, said it was being set up with the help of Commerce Department market research services.

At the seminar's final session, Reading representatives reported on the prospects for better business in their districts this year—Atlanta, Detroit, Wilmington, St. Louis, Portland, San Francisco, Chicago.

Thomas Ramsey, vice president for sales, urged the men to "concentrate on potential business" and "keep abreast of change in order to survive."

Kerr gave each man a new briefcase containing what he called "the salesman's tools"—a copy of Reading's annual report; literature describing equipment, rates and schedules; a brochure on Port Richmond, and a booklet detailing export procedures and services to exporters.

Said Kerr:

"Some of these little fellows who export a bit this year may in five years be the replacement we'll need."

COAL EXPORTS concern Reading's John Stewart.

DISTRIBUTION PATTERNS CHANGING

Dutch retail market study

Author of new Business Report tells of broader consumer market in the Netherlands

By JACOBUS T. SEVERIENS

Bureau of International Commerce

Patterns of distribution of consumer products in the Netherlands are undergoing a basic change, as the rise in Dutch incomes creates a broader and richer consumer market. This change is outlined in detail in a new Overseas Business Report published by the Bureau of International Commerce, entitled "Selling in the Netherlands". The Report points out that distribution of goods on a European-wide scale is now being encouraged by the lowering of trade barriers inside the European Economic Community (EEC) to which the Netherlands belongs.

JACOBUS T. SEVERIENS

The Netherlands' wholesale trade has traditionally been characterized by a large number of small units.

Recent years have seen the entry of a number of large units into the wholesale trade. A growing number of purchasing organizations, cooperatives, department stores and chains, anxious to save the costs of wholesale markups, are ordering directly from local manufacturers and foreign suppliers.

Retail outlets in the Netherlands range from the large department store to the small shop owned and operated by an individual or family. Altogether, such establishments employ around 400,000 persons on a full-time basis. Girls and women predominate in the sales area.

New outlets larger

Although the preponderance of retail outlets are small shops, such enterprises are decreasing in number. A trend toward concentration has been noted, with the formation of chain stores, supermarkets, self-service stores, and the expansion of department stores. The number of retail stores has declined from 208,534 in 1959 to 200,202 in 1964.

Notable exceptions to the general decline in retail establishments are furniture and hardware stores. This rise in number may be ascribed to several factors. Rising per-capita income has led the Dutchman to improve the comfort of his home and everything allied to it. Additional stores have arisen to cater to this increased demand. Not only has the number of furniture items available increased, but the assortment has been extended in terms of color and styling.

Show rooms

An increasing number of furniture makers have set up manufacturers' show rooms where the consumer can select the item of his choice. Actual sales and deliveries are then made through a retailer.

A retailer's annual sales quota is normally predetermined in consultation with either his wholesaler or his manufacturer (if he buys direct), and the retailer usually finds it difficult, if not impossible, to obtain extra orders if demand should exceed expectations. On the other hand, an unsold portion of a sales quota may not be returned to the wholesaler; the retailer must dispose of it himself.

Department stores

While most consumer goods in the Netherlands are still sold through small specialized shops, the comparatively few existing department stores have experienced the more spectacular rate of sales growth. Between 1959 and 1962 department stores increased their sales 40 percent, compared to a 25-percent gain for specialty and mail-order stores.

Department stores, together with a handful of large clothing chains which

DUTCH TREATS made in the USA get the once-over from Jack Gomperts, member of a recent U.S. Trade Mission to the Netherlands, as he tours the canned goods section of a modern Dutch supermarket.

HOUSEWIVES search for bargains along the arcades at the Lijnbaan Shopping Center in Rotterdam.

also handle dry goods, giftwares, and other department store items, sell over $500 million worth annually. About 75 percent of the goods sold are of Netherlands origin. Sales of American goods account for only 2 percent of the total. However, this share is on a par with or greater than goods sold by some of the countries located closer to the Netherlands than the United States. Moreover, a certain amount of Dutch goods sold include U.S. materials or components, or are bought from American subsidiaries or licensees in the Netherlands.

Type of goods

The kinds of American goods sold in Dutch department stores are chiefly clothing and textiles, household articles, foodstuffs, and miscellaneous items falling essentially in the gift and toy categories.

Department stores have been large importers of lingerie, women's and girls' dresses, housecoats, bathing suits, ladies' hats priced up to $60 a dozen, nylon comforters, inexpensive rugs, towels and household linens. These stores have also shown an interest in piece goods of nylon and new fabrics, and in draperies. Clothing accessories imported from the United States include handbags, costume jewelry, tie clasps, and cuff links.

Household articles frequently imported from the United States by these stores include wastepaper baskets, mothproof bags, clothes hangers, garden furniture of light aluminum, and various plastic products such as placemats and containers.

Foodstuffs imported from this country include canned fruits and vegetables, canned fish, dried fish, specialty and luxury foods of many types, herbs, and spices.

Department stores also import such miscellaneous items from America as expensive giftware, toy pistols, scientific and other modern toys, dolls, picture puzzles, Christmas cards (in English) and decorations, books, and magazines.

The Dutch department stores seek their strength not so much in a great number of small establishments as in a limited number of large ones. The largest store organization has only three establishments which are individually the biggest three in the country.

Aside from the market opportunities they directly afford for the sale of American goods, Dutch department stores play a strong role in developing popular tastes and in setting the pace for smaller retail units.

Chain stores

In 1961 the Netherlands had some 21,300 stores operating as members of chains. About 8,700 of these were in the food trade, while some 4,600 concentrated mainly on the sales of clothing and piece goods. Other chains specialized in the sales of such commodities as cosmetics, pharmaceuticals, household goods, electrical goods, and furniture.

So-called "large multiple businesses" —chains with more than 15 outlets— constitute only 2.3 percent of all Netherlands shops, but they account for 45 percent of ready-to-wear clothing volume and 22 percent of food sales for the entire country. Some of these chains have their own processing and storage plants, and a few of them own and manage from 150 to as many as 465 branch outlets.

Food retailing outlets

The most striking change in Dutch retailing in recent years has been in the field of food distribution, where the self-service store—including the larger and more pretentious supermarket—plays an increasingly important role, as opposed to the traditionally dominant small, family-owned retail outlet.

The first self-service store in the Netherlands was opened in 1948. In 1963 there were over 4,267 of these stores in operation, including supermarkets, and they accounted for 10 percent of the total sales of groceries and 30 percent of total foodstuffs sales. The Netherlands Central Bureau of Statistics estimates that 65 percent of these stores are owned by independent retailers, 30 percent by large chains, and 5 percent by cooperatives.

Dutch statistics show 352 supermarkets in 1963, with another 200 opening in 1964. They presently account for 17 percent of total Netherlands retail foodstuffs sales. Although Dutch supermarkets are patterned after their Ameri-

The Overseas Business Report (OBR) upon which the accompanying article is based, is one of the most recent in a new series, *Selling in (country)*. These operations reports discuss how to sell in overseas markets, with emphasis on the local marketing system and government procurement procedures as appropriate. A section is included on living conditions and entrance requirements for business travelers.

Countries covered to date are Austria (OBR 64-70), India (OBR 64-134), Iran (OBR 64-86), Netherlands (OBR 64-133), Pakistan (OBR 64-114), Switzerland (OBR 64-108), Turkey (OBR 64-97) and United Arab Republic (OBR 63-160). A similar report on Israel (OBR 65-1) will be available shortly. Copies may be ordered, for 15¢ each, from any Commerce Field Office or the Superintendent of Documents, Government Printing Office, Washington, D.C. 20402.

can counterparts, many such stores would be considered only fair-sized grocery stores by U.S. standards.

Other food outlets, gradually declining in importance, include the traditionally small family-owned shops, outdoor markets, and mobile street and river vendors.

Cooperatives

The Netherlands has more than 200 consumer cooperatives which together operate over 1,000 shops. In 1959 cooperatives sold $74 million of goods, accounting for 19 percent of total retail sales. In the food sector they registered 8 percent of total sales, primarily on such items as bread, cakes, and pastries. Cooperatives handle clothing and some household articles, in addition to foodstuffs.

There were 100 mail-order houses in the Netherlands in 1961, including wholesale and retail dealers who had added a mail-order department to their businesses. Although specializing in textile goods and home furnishings, mail-order houses account for only about 2 percent of total sales in these commodities.

There are very few "discount" houses in the Netherlands, the first one not having opened until 1961. Such stores generally restrict themselves to the sales of consumer durables, such as bicycles, refrigerators, radio and television sets.

Other areas of retail merchandising in the Netherlands are the street markets and mobile street and river vendors. In 1964 about 16,000 entrepreneurs were engaged solely in such businesses and an additional 6,000 participated in them as a sideline. Low operating costs, limited mark-up margins and rapid product turnover are the main features of this sector of Dutch retailing.

The principal products handled include flowers, plants, fruits, vegetables, fish pastry, chocolate, cheaply-priced sundries, trinkets, household articles and secondhand goods. The river trade, established on small boats, caters mainly to passing barges and canal boats, as well as to water sports participants and spectators.

Dutch labor, management accept government terms

After a long period of deadlocked negotiations Dutch management and labor representatives have agreed to the following terms suggested by the Government for inclusion in 1965 general wage contracts:

An increase of 5% in contract rates.

Weekly minimum pay of $30.36.

Higher children's allowances for large families, as of July 1.

A lump-sum increase in vacation allowances in mid-year, provided economic conditions warrant it.

No change in the present calculation of industry or branch wage differentials.

Great Slave Lake Railway opens Canadian Northwest

Last October's opening of the Great Slave Lake Railway, from Grimshaw in northern Alberta to Hay River in the Northwest Territories, has been hailed as a great stimulus to the economic development of Canada's Peace River Country and the MacKenzie District.

The Dominion Government, which built the railway, appropriated $86 million in 1961 for the 438-mile route, the first ever to penetrate the Northwest Territories.

The primary function of the railway is to haul ore from the rich base metal (zinc) deposits along the southern shore of Great Slave Lake. However, it will also make a direct contribution to the economy of the Peace River Country and eventually pave the way for development of such other resources as the rich timber stands north of the town of Peace River.

Farmers in the Manning, Alberta, area of the Peace River Country and districts to the north shipped their 1964 grain south over the new rail line, saving thousands of dollars.

Belgium to receive Dutch natural gas

All appliances must be geared to handle both types of gas

An agreement was made recently between the Belgian gas distributor, DISTRIGAS, and the Nederlandse Aardolie Maatschappij (NAM), the equally-owned joint venture of Standard Oil of New Jersey and Royal Dutch Shell, for the supply of Dutch natural gas to Belgium.

Beginning in 1966, NAM will supply DISTRIGAS with 1 billion cubic meters (35,314 million cubic feet) and will raise the quantity to three times that figure by 1975. The volume contemplated for 1975 represents about five times Belgium's current domestic consumption of gas. Industrial use will increase substantially to an estimated annual level of 2 to 3 million cubic meters (70 to 105 billion cubic feet) by that date.

DISTRIGAS which ultimately will handle all natural gas distribution in Belgium, is responsible for converting existing gas line systems to pipe higher pressure natural gas. It will also build a connecting pipe line to the Dutch transmission system.

The new gas will be uncut and will have a caloric value considerably higher than the Belgian coal gas presently in use. Conversion of burners to natural gas will be undertaken by consumers at their own expense, beginning in 1966 when the Dutch gas will first become available. Gas appliances sold in Belgium in the future will be dual-purpose, capable of using natural or manufactured gas.

The corporate structure of DISTRIGAS will be completely changed and its capital raised from 400 million francs ($8 million) to 1.4 billion francs ($28 million). Reportedly, the Belgian Government, the present shareholders of DISTRIGAS, and NAM will each have one-third of the shares in the expanded company.

BUSINESS INTERVIEWS

Gilbert E. Larsen, recently Commercial Attache at Mexico City, Mexico, and soon to be Commercial Attache at Madrid, Spain, will be available for interviews with businessmen in the St. Louis Field Office of the Department of Commerce on Feb. 1 and 2; the Chicago Office on Feb. 4 and 5; and the Cincinnati Office on Feb. 8 and 9.

HONDURAS

Growing, varied market

U.S. import share slips as competitors, Common Market partners expand roles

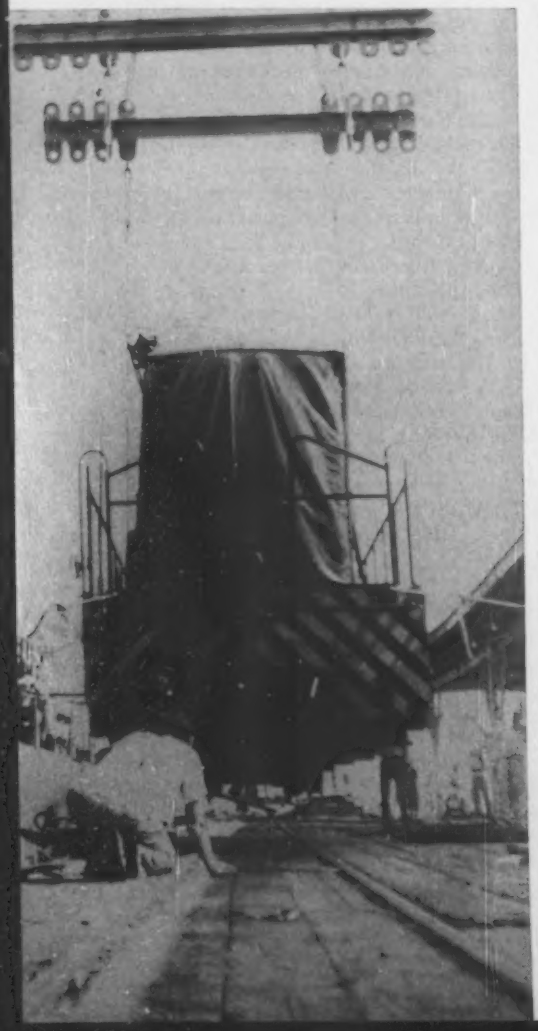
By ANTHONY WINKLER-PRINS
Commercial Attache
U.S. Embassy, Tegucigalpa

Honduras has increased its imports considerably and consistently year after year, and it purchases nearly one-half of these from the United States. However, the U.S. share of Honduran imports slipped from 55.9% in 1960 to an estimated 47.5% in 1964.

WINKLER-PRINS

As a market for imported products, Honduras will continue to grow, but rising industrial investments and the creation of the Central American Common Market are changing the import pattern. Industrial machinery and equipment is being imported to a greater extent, and more sophisticated articles are replacing the simpler consumer goods. European and Japanese manufacturers, well aware of this change, are moving in to capture their maximum share of this market.

Honduras is one of the five members of the Central American Common Market, within which nearly all goods will move freely by June 1966, protected by a common outer tariff. This is not only stimulating trade among the five countries but also giving rise to various new enterprises. Honduras, the least developed industrially, and having fewer products to export, is fully aware of the need to expand its present industries and develop new ones, and is anxious for U.S. technical and financial assistance. During the visit of a U.S. Industrial Development Mission to Central America and Panama in July/August 1964, more business interviews took place, more trade opportunities were developed, and more investment opportunities were initiated in Honduras than in any of the other five countries.



U.S.-MADE diesel locomotive bought by Standard Fruit hits the rails at Honduran port of La Ceiba.

Heartland

Honduras has an advantageous geographic location, situated in the heart of Central America and bordered by two oceans. Its labor supply is plentiful. Electricity is available at reasonable rates. It has a good telephone communication system, including an excellent micro-wave installation between the Capital City of Tegucigalpa and San Pedro Sula, the major industrial center.

Highway transportation facilities are still inadequate, but a Western Highway connecting San Pedro Sula with the El Salvador border was opened recently; the construction of a modern paved Northern Highway between San Pedro Sula and Tegucigalpa is expected to start this year, and contracts will soon be let for the construction of a 62-mile forest-fire access road, and for 70 miles of "farm-to-market" roads.

Air transportation facilities are plentiful, and nearly any part of the country can be reached by air, as Honduras has over 130 landing fields. The opening of the new "La Mesa" jet airport in San Pedro Sula will bring Honduras within two hours and 10 minutes of Miami. The visit by Secretary Hodges during May 1964 and the more recent visit of the Industrial Development Mission to Central America and Panama have helped focus U.S. attention on this growing market. The Agency for International Development (AID), through its Mission in Tegucigalpa, grants loans for long term financing and promotes new industries through technical assistance. U.S. investment guaranties are also being given in greater numbers.

Industries promoted

Several Honduran institutions offer their assistance in promoting industries. The AID Mission is working with the newly created Industrial Development Division of the National Development Bank (Banco Nacional de Fomento), which is the Honduran Government's officially designated industrial expansion office. The Development Office prepares feasibility studies for new industries, gives technical assistance and promotes industrial opportunities. The Financiera Hondurena, S.A. of San Pedro Sula, a newly established private development bank, has funds available; and the Central American Bank for Economic Integration (CABEI) extends suitable credits to those Honduran industries which will also benefit at least one other Central American country.

Since the Honduran economy is based primarily on agriculture, there are excellent possibilities in the food processing industry. Pineapples and citrus fruit can be exported either fresh or canned, and tomatoes can be processed. Other locally grown fruit can be made into concentrates. A feasibility study is underway for country-wide grain storage facilities, and a cotton seed oil mill, a cornstarch plant, and a new sugar mill are under consideration. The production of powdered milk is to be started shortly, and frozen meat will be exported in much larger quantities. The United Fruit Company and the Standard Fruit & Steamship Company both have embarked on multi-million dollar expansion programs.

Honduras has extensive mineral resources, most of which have not been developed. It has a potentially important iron ore deposit just north of Tegucigalpa which, according to a recent survey, contains at least 10 million tons of good grade ore, and a small steel mill is under consideration.

A large U.S. oil company is expected to renew its prospecting operations in the near future, and a feasibility study has been authorized by the Honduran Government for a petroleum refinery on the South Coast.

The American Smelting & Refining Co. has established its Central American headquarters in Tegucigalpa, due to encouraging preliminary results from its search for nonferrous ore deposits.

The manufacture of chemical and allied products offers good opportunities. A good-sized chemical plant was recently put in operation in Tegucigalpa under contract with four U.S. firms. New pharmaceutical laboratories have also opened, but more plants are needed to produce glass containers, plastics, insecticides, detergents and other chemical products.

A new cotton weaving and spinning mill which claims to be the second largest in Central America is almost ready for production in Tegucigalpa, and a smaller textile mill is under construction in San Pedro Sula. Plants to make shirts, slacks, underwear and hosiery, and synthetic materials are needed.

Honduran timber resources are enormous, and studies have been made for the establishment of a pulp and paper mill. Plywood is manufactured, and a box and crate factory was installed recently, but there are further opportunities for manufacturing light furniture, tool handles and many other wood products. A turpentine and resin plant is being planned.

Metalworking

The first Honduran steel rolling mill, which is now being installed by local interests (Aceros Industriales, S.A.) in San Pedro Sula, will be capable of producing 50,000 tons of reinforcing rods and profiles per year. There are good metalworking opportunities to manufacture metal furniture, bicycles, hardware, electrical appliances, metal cans, and aluminum products.

The fishing industry centers around shrimp, and the operations are confined to the North Coast and the Bay Islands. A small fish freezing and packing plant is operating in La Ceiba, but there seems to be a definite need for more plants.

Tourism has been entirely neglected, but tourism can be developed if better accommodations are made available. A modern 100-room inn or motel for Tegucigalpa is under consideration, as well as a new hotel in San Pedro Sula, a small inn at the Copan Ruins, and a motel on the Bay Islands. A study of prospects for developing tourism throughout Central America is underway.

Rising investment

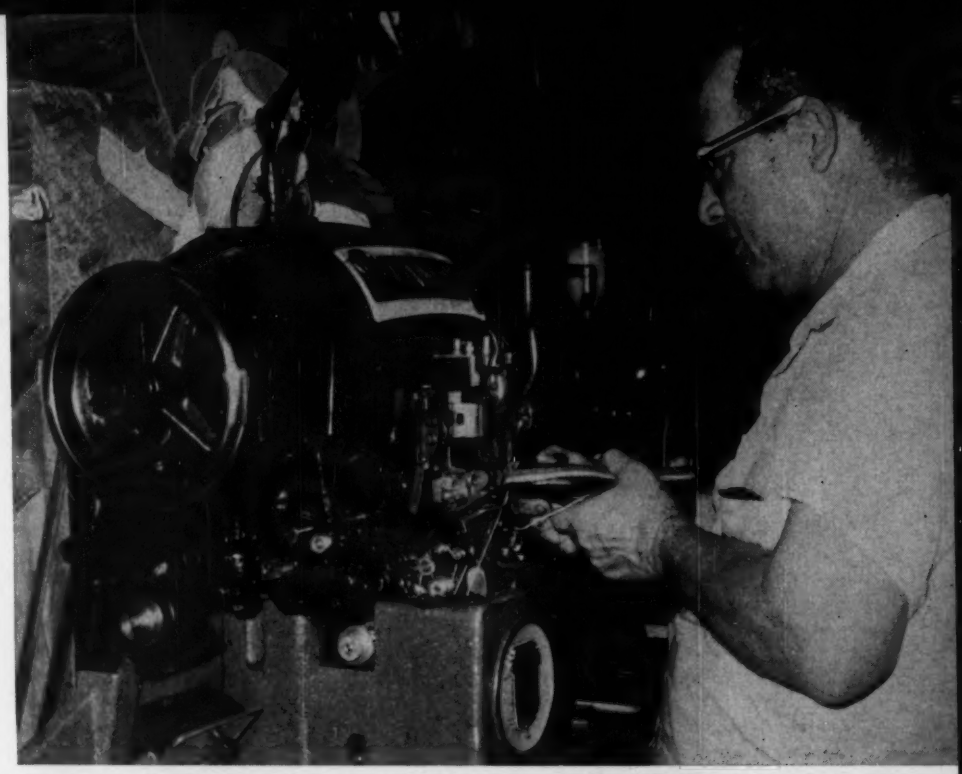
Increasing demand for capital goods and construction materials reflects the rising level of industrial investment. Machinery and transportation equipment alone account for about 30% of all imports. Manufacturers of these products can improve their competitive positions by giving their distributors technical training and insisting on better spare parts service.

Manufacturers of consumer goods should make more frequent and longer visits to both Tegucigalpa and San Pedro Sula, and should supply their sales outlets with practical guidance. A more aggressive sales approach, more attractive displays of merchandise, better inventory methods, lower mark-ups, all would result in quicker turnover and increased sales.

Shipments should be made as promptly as possible and repair parts orders should be given preferred attention. Air transportation might be considered in all cases.

The proximity to the Honduran market gives U.S. exporters a decided advantage over their European and Japanese competitors, but favorable credit terms are also an important factor.

Elections scheduled during February will install a constituent assembly, which will convene in March to decide on the manner of restoring constitutional government. The country has been administered by a provisional government since October 1963. Once this is accomplished, greater political and business stability may be expected, and Honduras will continue to increase in importance to U.S. exporters, manufacturers and investors.



SHOEMAKER in Tegucigalpa employs U.S. equipment to distribute firm's products to Central America.

the author

Born in Indonesia, Mr. Winkler-Prins has been stationed in Tegucigalpa since July 1963. He joined the Foreign Service in 1960, after almost 40 years of work for private firms as a sales engineer, export manager, district manager, foreign sales director and vice-president in charge of international operations. Mr. Winkler-Prins, who speaks Dutch and German, also received Spanish-language training after joining the State Department.

BUSINESS INTERVIEWS

John F. Troy, on home leave from his post as Commercial Attache at Buenos Aires, Argentina, will be available for business interviews in the New Orleans Field Office of the Department of Commerce on Feb. 1 and 2.

Panama enacts new income tax reform to implement Alliance

Tax rates for partnerships, corporations increased on progressive scale; capital gains on property sales now taxable

Panama has approved a new income tax law which represents a significant modification of the existing Fiscal Code and fills a major objective of the Alliance for Progress—income tax reform.

Under the new law, individuals are now entitled to the following exemptions:

$100—for each of first two dependents; $150—for the third and each dependent thereafter; $700—marital exemption, whether filed jointly or separately; $600—exemption for single taxpayers; and $300—medical exemption.

Individual taxpayers in low income categories actually will pay less than under the previous rate schedule. Individuals in the medium and upper income groups now will pay higher taxes.

Tax rates for partnerships and corporations have been increased under a progressive schedule which commences with a net income of $5,000. All incomes below that figure are taxed at 5%.

Capital gains tax

Under the previous law there was no capital gains tax on property held two years or more. Under the present law, such gains on the sale of real property are taxable. However, property owners who desire to increase the declared value of their real property for use in calculating prospective profits on an eventual sale, may do so within six months from the effective date, Jan. 1, of this legislation.

Property that is transferred at a price below the market price or that is transferred within members of a family at less than market price will be regarded as gifts and therefore taxable until proven to be otherwise.

The annual tax for an operating license of a business or industrial enterprise has been modified under the existing law so that small firms now will pay only a minimum fee. However, the fee levied on larger firms has been increased substantially.

For example, firms with a capital of less than $500 pay $5 tax. This tax is graduated to a point where firms with a capital of $10,000 will pay $100; those with $100,000 capital will pay $300. The scale of taxes is increased progressively and provides for a $1,000 tax for firms capitalized at $1 million or more.

Corporate and partnership entities are required to withhold 8% on the total amount of dividends or profits paid. These amounts are to be transmitted directly to the Government's official tax collecting agency.

Partnerships affected

Should the total amount of such dividends and profits amount to less than 40% of the company's net profit for the period, the firm itself is required to pay the difference. In other words, the Panamanian Government will collect a minimum tax of 8% on 40% of the net income to corporations and partnerships.

Consequently, individuals receiving such dividends and profits are not required to include in their declarations, when filing their income tax returns, any information relating to their dividend income since the tax itself has already been withheld at the source.

The new law provides for a $1 stamp to be applied to each unit of a foreign travel ticket sold in Panama. Exemptions from payment of this tax are accorded to students traveling abroad to study, and individuals traveling abroad to attend international labor organization meetings.

Previously, the Government had negotiated incentive contracts with a number of large firms to whom were granted certain long-term tax exemptions or partial tex exemptions. It is presently exploring the renegotiation of these contracts with such companies. The Government makes it clear that firms opposing contract renegotiation might lose the advantage they had previously enjoyed.

Under previous legislation, firms operating in the Colon Free Zone had paid income taxes on income earned from sales made within the Republic of Panama on the basis of 1954 income tax rates. A revision of such rates is provided under the new law.

Essentially, current rates will apply to such income as is attributable to sales within the Republic. However, the tax collected may not exceed the amount of the tax credit which a taxpayer will receive from his own government.

Tax exemptions

Reforms under the new law will not affect Panama-based corporations. Such corporations will continue to benefit by the provisions of the previous law which exempts a Panamanian individual or corporation from the payment of taxes on income received from abroad. Income arising from sales negotiated in Panama is exempt from tax, provided the goods in question are not physically received in Panama.

Under the new legislation, life insurance companies may transfer 20% of their net income to the company's reserves, tax free, until the total amount of the company's reserves equals the amount of its capital.

From that point on, only 10% may be transferred to the company's reserves, tax free. In the case of insurance companies other than life, transfers may be made of 15% and 10%, respectively.

For a copy of the law, in Spanish, on a loan basis, **write:** OIRE, Bureau of International Commerce, Department of Commerce, Washington, D.C. 20230.

Colombia sets requirements for certificate dollars' sale

Colombia has announced new administrative requirements governing the sale of certificate dollars.

Importers now must apply to the Exchange Registry Office for dollar exchange 20 days before intended purchase date and present to the Registry documentary evidence that their foreign exchange obligations to suppliers have fallen due.

They also must present the import registration certificate, commercial invoice, notification of shipment, and customs manifest. The importer is required further to make a prior deposit, in pesos, at the Bank of the Republic equal to 95% of the dollar exchange to be purchased.

This deposit is returned at the time it is used to pay for the import.

Industrial Coordination Conference spurs development planning in West Africa

Sites for steel plants chosen; possible common market in textiles under study; conference this month in Nairobi to take final action

A Conference on Industrial Coordination in West Africa, held last fall in Bamako, Mali has stimulated discussion and resulted in some decisions of considerable import for the progress of industrial development planning in West Africa.

As an outgrowth of earlier conferences sponsored by the United Nations Economic Commission for Africa (ECA), to which 34 independent African nations belong, a series of studies was prepared for the iron and steel, engineering, chemicals and fertilizers, textiles, cement, and agricultural industries. These reports formed the basis for the discussions at the Conference.

Among the most important decisions taken were the choice of sites for steel plants and the proposal to study a possible West African common market in textiles.

Development of the iron and steel industry has been under discussion for some time, since several countries were reluctant to sacrifice national aspirations in the interests of regional efficiency.

A compromise agreement consistent with the recommendations of the experts was reached, and it was decided provisionally to locate an inland plant in Mali and a coastal steel works in Liberia, taking into account Nigeria's plans for a 200,000 ton inland plant and subject to investigations still to be carried out in Mauritania and Guinea.

Responsibility of plants

Under the terms of the Conference resolution, iron and steel products manufactured within the sub-region will flow competitively throughout the sub-region, and plants accept responsibility to produce to meet the demands of the sub-region. The Executive Secretary of the ECA has been empowered to take whatever steps are necessary to finance and execute these projects.

Regional planning for development of industries in West Africa other than iron and steel is still under study, and in most cases the Conference could do no more than instruct the ECA Secretariat to conduct further studies.

The terms of reference for the textiles industry are particularly noteworthy. It is estimated that West Africa, which now imports 70 to 80% of its textile requirements, could bring production near to projected consumption levels by 1970 at an additional investment cost of approximately two years' foreign exchange cost for imports.

Inventory recommended

In view of the apparent feasibility of developing the West African textile industry, the Conference recommended a complete inventory of existing and planned facilities to determine the best way to integrate production plans and provide for r tional specialization.

Corollary studies on textile fiber production, distribution costs, and labor and personnel needs were also recommended. Believing this to be an important and practical industry for regional planning, the conferees decided to take necessary steps to institute a common market in textiles and ensure sub-regional protection for the infant industry.

The Conference resolutions will be presented to the Seventh Plenary Session of the Economic Commission for Africa, scheduled for Feb. 9-23, in Nairobi, for final action.

For copies of the studies, and a summary record of the Conference discussions, on loan, **write:** OIRE, Bureau of International Commerce, Department of Commerce, Washington, D.C., 20230.

Norway announces increases in global import quotas

Imports of wood tar and wood tar oils are no longer subject to import licensing, as scheduled in the Norwegian Global Quota List for Imports.

The quota for ice cream, ice cream powder and other foodstuffs containing cocoa has been increased from $35,000 to $50,000.

Melons of the types Honey Dew and Ogan, a special quota has been set of 25 metric tons or $4,200.

Norway extends credit agreement for one year

Norway's Basic Credit Agreement of 1960-64, which was due to expire Dec. 31, 1964, has been extended through 1965 by an agreement of representatives of the Ministry of Finance, the Bank of Norway, the Commercial and Savings Banks and the Insurance Societies.

The Credit Agreement for 1965 provides that a general credit expansion in the forthcoming year should be limited to 6%, or about the same as in 1964.

Commercial Banks will limit credits in Norwegian crowns to a level not exceeding 450 million crowns more than the corresponding end-of-month level in 1964, or not more than 5½ to 6% more than in 1964.

During 1965, limitations will be placed also on credits in foreign exchange granted by Commercial Banks, on credits granted by Savings Banks and on long-term loans floated by other than official Government agencies.

Interest rates are fixed at 5½% for electricity and municipality loans and at 5¾% for industrial loans. The Government will float two long-term loans in 1965.

Chile authorizes rejection of import registrations

The Chilean Congress has approved legislation authorizing the Central Bank to reject import registration applications for goods on Chile's list of permitted imports and establishing criteria to guide the Bank in its decisions.

Applications for one or more import items may be denied only when the total value of all applications for that calendar month exceeds the monthly average for the previous 12 months by more than 5%, and only when all other applications for that same import item during that calendar month are also rejected.

This latter limitation may be waived only for medicines and spare parts for machinery up to $500. Applications not rejected under the above authority must be approved within 90 days of presentation.

Special statutory import privileges currently in effect for free ports and other special import regimes are not altered.

Presidential signature and approval by the Controller General are expected on this additional statutory authority over import controls.

EEC Commission seeks Common Agricultural Policy on fats, oils

Three proposals which outline program submitted to Council of Ministers for approval before June 1

The European Economic Community's Commission has presented to the Council of Ministers, for approval before June 1, three proposals outlining a Common Agricultural Policy in the fats and oils sector of the Community.

EEC countries are in large part dependent upon imported vegetable and marine fats and oils and did not consider it practical to pursue a policy which would raise the prices of these products in the Community.

The first draft proposal provides for a common market organization for oilseeds and oil-bearing fruits as well as for fats and oils of vegetable or marine origin.

It proposes immediate application of the rates of the Common External Tariff (CXT) to oil-bearing seeds and fruits imported from non-EEC countries and the elimination of the customs duties on these products among the Member States.

Special consideration

Special consideration is given to olive oil in which the EEC is 70-80% self-sufficient. Only imports of olive oil are to be regulated by a variable levy system.

Since France and Italy, the Community's olive-producing countries, will abolish their protective legislation for olive oil when the CAP for fats and oils goes into effect, a subsidy in addition to the variable levy system may be necessary to assure the producer of his "normal" return in the face of the competition from the highly substitutable oils which will be imported into those countries.

Other vegetable fats and oils of which the Community produces about 5-10% of its own supply will be subject to a special system of subsidies to assure the necessary volume of production in the Community.

Although Community production is small, it constitutes the essential part of the technical and financial balance of the farms which produce them and such products are given special consideration in this proposal.

Tariffs on imports

The second draft proposal provides for the application of intra-Community tariffs to imports of oil-bearing products from the Associated African States and the Overseas Territories and a subsidy to the producers of peanuts, copra, palm nuts and kernels, and their by-products when the world price falls below an established reference price based on average world prices of previous years.

The third draft proposes a tax to be levied on fat and oil products, mainly margarine, used for human consumption, the proceeds to be used to finance the Community subsidy program in the fat and oil sector.

Since it is impossible to determine the final use of many products based on fats or oils the tax will be levied on all products, domestic and imported, and refunded if these products are used by other than food industries or in the production of exported products.

For the text of the three proposals, **Write:** OIRE, Bureau of International Commerce, Department of Commerce, Washington, D.C., 20230.

Venezuela names commission for iron ore marketing

The Venezuelan Ministry of Mines and Hydrocarbons has established a Coordinating Commission for the Conservation and Marketing of Iron Ore.

This Commission will handle functions for the iron ore sector similar to those done for the petroleum sector by the Coordinating Commission for the Conservation and Marketing of Petroleum.

The Government has been concerned over iron ore price deterioration, which has led to a $1.24 drop in the average price per ton since 1962. The Commission will take necessary steps to conserve and protect Venezuela's iron ore resources.

Venezuela sees the Commission as a preliminary step toward establishment of an Organization of Iron Ore Exporting Countries.

This proposed body, whose founding Venezuela has already discussed with other iron ore producer/exporters, would operate somewhat similarly to the presently operative Organization of Petroleum Exporting Countries.

Florida auto dealers lose all U.S. export privileges

Henry's Auto and Truck Parts of Miami and two principals of the concern, Henry Shier of Miami, and Alfred A. Long of Coral Gables, Fla., have been denied all U.S. export privileges for nine months, and put on probation for the remainder of a three-year period, for five illegal exports of auto parts from Miami to Banco Para el Comercio Exterior de Cuba, Havana.

The materials were valued in excess of $25,000.

The same sanctions were imposed against Alfred Equipment Co. of Miami, which is characterized as a related party in the case.

The order is effective Feb. 1.

Henry's Auto deals in new and used automotive parts, Shier is principally responsible for the operations of the concern, and Long is general manager.

It was found that the respondents, using export control documents containing false statements, shipped the auto parts between Oct. 27, 1960, and Nov. 3, 1960, after the U.S. Government had restricted such shipments in connection with the break in Cuban relations.

The sanctions cover both commodities and technical data.

All validated export licenses in which the respondents have an interest are cancelled; these strictures apply to all agents and employees of the respondents, and other parties are prohibited from engaging in export operations with them where commodities or technical data of U.S. origin are involved.

AUTOMATIC CLAY PROCESSING MACHINERY

Dutch importer, manufacturer and exporter of mining machinery and steel structures for industrial establishments, would like licensing rights to manufacture machinery for automatic clay processing. The machinery will be sold domestically and exported to Belgium, Luxembourg and Germany.

Write: Lima N.V., Reuver (L), Netherlands.

MACHINES, PARTS

Firm specializing in the construction of special machines and machine-tools as well as heavy, precision mechanical devices seeks licensing rights to construct machines or machine parts for the rubber, plastic, textile, paper, materials handling and agricultural industries.

Write: Bretonord, S.A., 28 rue des Agnettes, Gennevilliers (Seine), France.

ECA completes plans for African Development Bank

Board of Directors elected; headquarters to be at Abidjan

Plans by the U.N. Economic Commission for Africa (ECA) for an African Development Bank in the making since January 1960, have been completed with the election of a nine-man Board of Directors and the designation of Abidjan as headquarters.

This significant step toward more economic cooperation in Africa was taken at the first meeting of the Bank's Board of Governors, on which every member country (then totaling 25) is represented.

The U.S. Government extended warm congratulations to the ECA (UN Economic Commission for Africa), under whose auspices the Bank was established, and assured members of its willingness to provide technical assistance and advice during the bank's formative period.

The Bank will use available resources to finance specific investment projects relating to the economic and social development of its members.

Certain priorities given

Priority will be given to projects benefiting several countries and designed to make the members' economies increasingly complementary, and to investments which bring about an orderly expansion of foreign trade. The Bank will not finance projects for which capital may be obtained on reasonable terms elsewhere.

Membership in the Bank is open to any independent African country under the terms of the Agreement of Establishment.

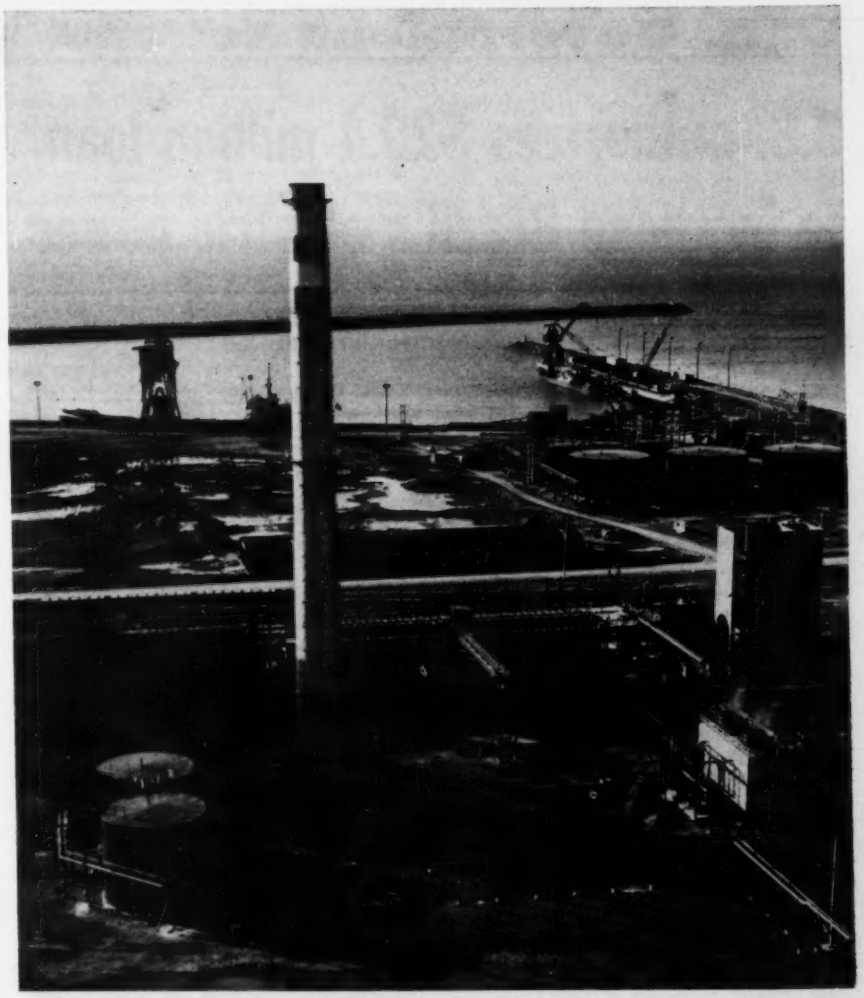
The Bank is authorized to carry a capital stock of $250 million, subscribed entirely by individual member countries.

Membership terms

It is expected that 30 countries will be members by June 30, and their capital subscriptions will total $203 million.

Countries must pay in one-half of their subscriptions in gold or convertible currencies by April 1969; the other half will be callable on demand.

The Bank intends eventually to obtain funds in the capital markets. It also hopes to administer special funds consisting of grants or unguaranteed loans accepted in trust for use in specific projects.



U.S. INVESTMENT by AID and the help of 5 U.S. firms made possible the construction of the Eregli Iron and Steel Mill in Turkey. In photo are part of coke ovens and tar storage tanks. See story on page 14.

India stimulates investment through new tax concessions

India has announced three new tax concessions designed to stimulate investment and savings.

The first of the three measures, effective immediately, takes the form of negotiable tax credit certificates to be given to investors in new issues of equity shares by newly-formed public limited companies engaged in priority industries.

Certificates will be issued at a rate of 5% of the first $3,150 invested in equity shares.

The amount of the certificate is tax exempt and may be used to pay income tax obligations, with any remaining balance refundable in cash.

The second concession pertains to the Government securities market. It provides an exemption from the surcharge on unearned income for interest from these securities during the Indian fiscal year 1965-66.

The third concession excludes from taxable income interest on funds transferred from abroad through recognized banking channels and deposited to the account of persons domiciled in India but not considered residents under India's tax laws.

BUSINESS INTERVIEWS

Charles P. Nolan, recently Deputy Director of the Office of Telecommunications and Maritime Affairs, Department of State, will be moving shortly to his new post as Consul General at Sevilla, Spain. He will be available in the New York Field Office of the Department of Commerce on Feb. 2, 3, and 4, and the Boston Field Office on Feb. 8.

U.S. authorizes $20.4 million loan to increase Brazil's electric power

U.S.-made equipment, goods, services to be used to expand Peixoto hydroelectric power complex

Electric power in the metropolitan Rio de Janeiro area will be boosted with the help of a $20.4 million Alliance for Progress loan to Brazil.

The dollar portion of the loan—$13 million—will cover the cost of U.S.-made equipment, goods and services to expand the Peixoto hydroelectric power plant located on the Rio Grande in the state of Minas Gerais, about 310 miles northwest of Rio de Janeiro.

The $7.4 million balance of the loan will pay a part of the local currency costs, primarily for equipment and machinery of Brazilian manufacture.

The power increase will relieve an acute shortage in the urban district of Niteroi and in Rio de Janeiro. The growing population and expanding industries in this area are hampered by lack of power-generating facilities.

Meeting Costs of Expansion

Total cost of the Peixoto expansion is the equivalent of $30.1 million. Brazilian sources will contribute the equivalent of $9.7 million for civil works, labor, supervision and construction materials.

The project, scheduled for completion in 1967, has top priority in the National Power Plan approved by the Minister of Mines and Energy.

By increasing Peixoto's generators from four to 10, the power capacity of the plant will be raised from 180,000 kilowatts to 480,000 kilowatts, equivalent to 160%.

Four of the new 50,000 kilowatt turbine generator units will be imported from the U.S. The remaining two will be built in Brazil, utilizing major turbine components from the U.S.

Power demand increases

The 300,000 kilowatt power generated by the six new generators will give consumers in the Niteroi-Rio de Janeiro area an additional 1,100 million kilowatt hours in an average year. Electric power demand in this area has been increasing at a rate of 12% a year.

The Peixoto expansion is based on the long-range "Canambra" Plan to enlarge and extend the power grid system in south-central Brazil.

The plan was developed by a United Nations-sponsored consortium of engineering firms incorporated in Brazil under the name "Canambra."

This financial assistance from the Agency for International Development is expected to strengthen the Brazilian Government's stabilization efforts.

Loan to Morocco to finance purchase of U.S. materials

A $10 million supporting assistance loan to Morocco will finance purchase of U.S. commodities and services such as heavy equipment for public services, development projects, and provide payment for U.S. engineering skills.

Local monies paid to the Government of Morocco by importers will fund development activities in the fields of agriculture, rural development, school and house construction, irrigation, reforestation, and road building.

The loan, authorized by the Agency for International Development, is repayable within 40 years including a four-year grace period.

U.S. export privileges restored to Paris firm

U.S. export privileges have been restored to Paris-Labo, a Paris, France, dealer in laboratory equipment and supplies, who has now responded to questions about the suspected illegal exportation of materials to Cuba.

Paris-Labo was put under indefinite suspension on November 5, by the Department of Commerce's Bureau of International Commerce (BIC), for failure to respond to questioning in the course of an investigation, and giving no reason for this action.

The suspension was lifted as of Jan. 8.

Export suspension period continued against Canadian

A 60-day suspension of U.S. export privileges against Jean Morvan, Montreal export-import operator, is being continued until administrative proceedings involving suspected illegalities are completed.

The suspension, which expired Jan. 16, was applied by the Department of Commerce's Bureau of International Commerce (BIC) which is studying Morvan transactions believed to involve the procurement and attempted procurement of U.S.-origin agricultural equipment and other automotive vehicles for illegal transshipment from Canada to Soviet-bloc countries via European ports.

In addition, the Department says there is reason to believe that Morvan has knowingly participated in transactions involving U.S.-origin commodities with parties subject to orders denying U.S. export privileges.

The sanctions—applicable to both commodities and technical data—imposed under the 60-day order are continued in effect.

These called for cancellation of all outstanding validated export licenses in which he has an interest, and are applicable also to agents and employes of the respondent. Other parties also are forbidden to engage in export operations with him in which U.S.-origin commodities or technical data are involved.

Dominican Republic gets loan for development studies

Studies of proposed development projects in the Dominican Republic will be financed by a $1 million Alliance for Progress loan authorized by the Agency for International Development.

The AID loan is designed to accelerate economic development to meet the needs of the fast-growing Dominican population, and to help the Government overcome a persistent balance of payments problem.

The studies may include air surveys of natural resources; feasibility studies of water resources, port improvements, bridges, roads and farm production; and evaluations to determine whether selected projects are economically desirable.

Loan funds will be administered by an agency of the Dominican Government, which will assume local overhead costs of the studies and surveys.

Study cites outboard motor opportunities in East Pakistan

A recent survey in East Pakistan by a team of Japanese experts has indicated the feasibility of establishing a plant to manufacture outboard motors for operation on both kerosene and gasoline, according to the Pakistan Industrial Credit and Investment Corporation, Ltd. (PICIC).

East Pakistan's inland water transport system is serviced principally by slow moving, non-mechanized craft. Tests on several of these boats proved the practicality of powering them with simply operated outboard motors and indicated a market of considerable scope for the power units.

Write: PICIC, Regional Office, East Pakistan, 156-157 Motijheel, Commercial Area, Dacca, Pakistan.

Assists private sector

PICIC was established in 1957 as an industrial and development bank, owned and managed by private enterprise.

In its assistance to industry's private sector its resources comprise not only its own paid-up capital, but also lines of credit from the Government of Pakistan and such international financial organizations as the World Bank.

Its directors include three representing American, British and Japanese shareholders.

American firms contemplating investment in Pakistan may wish to write PICIC's head office at Jubilee Insurance House, Karachi, Pakistan and request the organization's Sixth Annual Report as well as its publication *Picic at Work*.

Studies at no charge

Another Pakistani organization prepared to render assistance to American investors is the Investment Advisory Centre of Pakistan. Under the sponsorship of the Agency for International Development (AID), the Government of Pakistan in 1963 established the Centre, which is currently prepared to undertake pre-investment studies at no charge.

To permit a completely confidential relationship with its foreign clients, however, it anticipates charging fees for the service at a future date.

The Centre's Board of Managers is composed equally of government and private enterprise representatives, the Managing Director of PICIC being included among the latter.

Like PICIC, the Centre, with headquarters in West Pakistan, has established an office in East Pakistan to more effectively stimulate economic development in that area.

Write: C. W. Robinson and Co., 200 Park Ave., New York, N.Y., for detailed information on the Centre.

German company offers manufacturing license

A German manufacturer seeks a license agreement with a U.S. manufacturer to produce and sell in U.S. its patented riblath, an expanded metal with ribs for use in ceilings as a plaster base and in concrete construction work.

The firm claims its riblath simplifies laying of both plaster and concrete, permits level foundation for plaster, makes the material self-supporting, saves subsidiary foundation structures of iron rods, and prevents bending when the concrete or plaster is being applied.

The German manufacturer also reports that the fins of its riblath compensate stresses in the sub-structure, prevents subsequent crumbling of the plaster, together with the mortar they provide perfect bonding, reduces mortar requirements, and prevents cracks from forming.

Write: Office of International Investment, Bureau of International Commerce, Department of Commerce, Washington, D.C., 20230, referring to File 1302.

U.S. DESIGNED RELAYS

License sought to manufacture U.S. designed relays used in micro techniques, high frequency measuring instruments, high frequency connectors, and "know-how" on newly developed processes for the manufacture of high quality printed circuits.

Write: Wilhelm Sihn jr. KG, 7532 Niefern bei Pforzheim/Baden, Postfach 89, Germany.

PROTECTED METAL PANELS

License sought to produce covered or protected metal panels to be used as wall covering.

Write: Metal Profil S.A., 39 Quai de Coronmeuse, Liege, Belgium.

Honduran economic study assesses investment climate

A recent study of the economy of Honduras lists investment opportunities in the pulp and paper, pottery, glass and automobile assembly industries, to name only a few.

According to the survey, Honduras has an excellent business climate and the Industrial Development Division of the Banco Nacional de Fomento (National Development Bank) is prepared to give technical assistance to firms interested in Honduras.

Under the Industrial Development Law, enacted in 1958, the possibility reportedly exists for certain classes of industries to receive exemption from some taxes for up to five years and others up to 10 years.

In addition to an informative text, the survey contains tables listing Honduran imports and exports and an outline of fiscal exemptions for new industries.

To obtain a copy of the survey *Honduras*, at no charge, **write:** Conway Research, Inc., 2600 Apple Valley Rd., Atlanta, Ga., 30319.

Turkish canner makes joint venture proposal

A Turkish canner of fruits and vegetables seeks a joint venture with U.S. firm experienced in sales promotion and distribution of canned goods in foreign markets.

The Turkish firm reportedly produces about 2½ to 3 million cans of foodstuffs a year at an annual turnover of approximately $1.1 million. Its maximum employment is about 1000.

The firm has a subsidiary which produces approximately 1 million cases of soft drinks a year, employing a maximum of 150 for this operation.

Write: TAMEK Konservecilik, Ltd., Sti., Cumhuriyet Caddesi 233, Istanbul, Turkey. For further assistance or advice, **write:** Bureau of International Commerce, Office of International Investment, File 4-2033-13-G, Department of Commerce, Washington, D.C., 20230.

SYNTHETICS, PLASTICS

Firm operating 320 weaving looms producing cotton suedes and cotton corduroys, seeks license to make synthetics and plastics for clothing industry.

Write: Gebr. Kindermann GmbH, Ibbenbueren, Postfach 260, Germany.

Germany announces five NATO projects for roads and building construction

The Federal Republic of Germany has announced five NATO Infrastructure projects are open to U.S. firms certified eligible to participate in NATO International Competitive Bidding. Firms which desire certification should write to the Department of Commerce, Trade Opportunities Staff, BDSA-6192, Washington, D.C., 20230, for further information.

Copies of the invitations to bid, specifications, special questionnaire required by the German Government and other documents pertinent to the five NATO projects described below may also be obtained from the Trade Opportunities Staff.

Project BMVTDG. No. 68-25-43-21-35, titled: "Earth works, road and building construction in Lower Saxony" calls for the construction of roads about 11,800 sq. meters, a 430-sq. meter one-storied building with connections to water, sewerage, power line fencing and telephone connections. Deadline for filing an application and DM 80 (approx. $20) filing fee is Feb. 10.

Project BMVTDG No. 68-25-43-21-25 (same title as preceding project) calls for the construction of roads, about 16,500 sq. meters, a 900 sq.-meter building and other appurtenances as described in the preceding project. A DM 80 ($20) filing fee is to be paid at the time of filing application. The deadline is Feb. 10.

Project No. BMVTDG 68-25-43-22-4, "Earth works, road and building construction in Bavaria" requires moving 22,000 cubic meters of earth; construction of 11,500 sq. meters of roads; a 450 sq. meter one-storied building, a 270 sq. meter hut, and supply and erection of 2,100 linear meters of telephone cable, 1 telephone exchange, 1,400 linear meters cable network, fencing and industrial utilities connections. Deadline for filing applications and payment of filing fee (DM 200—approx. $50) is March 3, 1965.

Project No. BMVTDG 68-25-31-22-5, "Lighting System and Power Supply in Bavaria" calls for the supply of 900 (approx.) lights with foundation; 100 kilometers airfield cable; 5 km. high-tension cable; 4 sixty KVA standby generators, 1 250KVA substation, 3 each transformer stations, 76/75/100KVA switch and control equipment, six traffic lights and 60 km cable trenches. The deadline for this project is Feb. 10. The filing fee is DM60 (approx. $15).

Project No. BMVTDG 68-25-43-21-37 is titled "Road improvement work in North Rhine-Westphalia." The scope of principal supplies and services desired are about 420 sq. meters of concrete area to be broken up and rebuilt at a new altitude; 16,500 sq. meters concrete area to be cleaned; 4,200 meters joints to be plowed and refilled with bituminous sand, 9,000 sq. meters asphalt concrete, 3 courses, 12 cm. thick; 2,500 sq. meters asphalt concrete, and 3 courses, 12 cm thick; 5,000 sq. meters leveling of asphalt concrete from 12 and/or 10 centimeters to 25 centimeters. The deadline for submission of application and filing of DM 20 ($5) is Feb. 10.

SHAPE needs bookcases, specifications available

Supreme Headquarters Allied Powers Europe has issued Invitation to Bid No. 12-65 for 40 to 60 metal bookcases. Specifications call for each bookcase to have a base, 8 to 10 cm high, two compartments (storage space) at least 60 cm high equipped with two sliding doors (no locking device) and one removable, adjustable interior shelf, three open compartments formed by two adjustable shelves and a top so as to permit 30 cm between each shelf. Dimensions called for are: height, 160 to 180 cm including base; width 100 to 120 cm; depth not to exceed 40 cm exterior measure and not less than 25 cm interior shelf depth. Color shall be in accordance with SHAPE specification GREY-M-70.

U.S. firms interested in submitting their bids should do so by Feb. 8. A sealed offer should be placed in a covering envelope and addressed to: Headquarters Command, Purchasing & Contracting, Bldg. 22, SHAPE, Paris, France.

A copy of the Invitation to Bid including specifications and color sample is available on loan from the Department of Commerce, Trade Opportunities Staff, BDSA-6192, Washington, D.C. 20230. Telephone: 202-WO 7-4674.

Bids invited by Philippines on hydraulic turbine, other power equipment, accessories

Philippines' National Power Corp., 161 Bonifacio Drive, Port Area, Manila has issued Tender No. Sp64DDe-19 for the supply of one 592-hp. Francis type hydraulic turbine, net effective head 41.34 feet; one 500-kva generator, 60 cycle, 3 phase, 327-rpm and accessories; one power transformer, outdoor, two-winding, oil immersed, self-cooled, class OA-T, 3 phase, 1500-kva, 60 cycle, with switchgear and control switchboard.

Bid deadline is Feb. 16.

Plans and specifications are available at the Office of the National Power Corp. upon payment of about $1.39.

One copy of the specifications is available for review only in Rm. 4124, Power & Electrical Equipment Division, BDSA-6430, Department of Commerce, Washington, D.C. 20230.

Ceylon extends bid deadline

The Government of Ceylon's Dept. of Electrical Undertakings has extended the bid deadline on the Maskeliya Oya Project's Stage 1 construction from Nov. 27, 1964 to Feb. 26. (INTERNATIONAL COMMERCE, Dec. 21, 1964, p. 49; Oct. 12, 1964, p. 29). This project is Contract No. 5, Polpitiya Tunnel and Surge Shaft.

Specifications and tender instructions are available from the Embassy of Ceylon in Washington, 2148 Wyoming Ave. NW., Washington, D.C. and from Ingledow Kidd & Associates, Ltd., 1112 West Pender St., Vancouver, B.C., Canada.

NATO projects in Italy open to U.S. bidders eligible for ICB

The Italian Ministry of Foreign Affairs has announced the following NATO projects are open to bids from U.S. firms certified eligible for International Competitive Bidding (ICB):

Project No. 210—Construction of a new pipeline section at Seven River's crossings; cost, 280 million lire (1000 lire = $1.60).

Project No. 211—Construction work at pipeline pump-station openings; cost, 35 million lire (1000 lire = $1.60).

Project No. 212—Supply of steel pipes for rehabilitation of Seven River's crossings; cost, 20 million lire (1000 lire = $1.60).

U.S. bidders must submit their qualifications and a specially designated form to the Ministero Difesa Aeronautica, Direzione Generale Demanio, Ufficio Study, I A Sezione, Rome, Italy, not later than Feb. 14 for project Nos. 210 and 212, and Feb. 15 for project No. 211.

A copy of the invitation to bid and the specially designated form, as well as information about NATO-ICB may be obtained from the Department of Commerce, Trade Opportunities Staff, BDSA 6192, Washington, D.C. 20230. Telephone: 202-WO 7-4674.

South Africa reports labor shortage; seeks engineers for Johannesburg projects

The City Engineer's Dept. of Johannesburg has reported that contractors are up to six months behind on some of their major municipal engineering projects, including work on roads, bridges and expressways because of a severe shortage of engineers and of skilled and semi-skilled workmen.

The City Engineer's Department is interested in having U.S. contractors tender for projects, but suggests that they send representatives to see and study the projects, become associated with South African contractors and that U.S. contractors should bring skilled and semi-skilled key personnel with them.

According to the report, there is a place for 100 U.S. engineers in the City Engineering Dept. and with contractors who had construction contracts for the City Council.

Interested firms should contact the City Engineer's Dept., Johannesburg.

Bid deadline extended again on Uruguay's national roads

The Public Works Ministry of the Government of Uruguay has extended the bid deadline on construction of National Highways 5 and 26 from Jan. 25 to Feb. 24. (INTERNATIONAL COMMERCE, Jan. 18, 1965, p. 82; Dec. 21, 1964, p. 50).

Correction sheets are available upon request from the Ministry to firms which have previously purchased bid condition documents.

Saudi Arabia to award three prizes in design competition for building

The Saudi Arabian Airlines Corp., Jidda, has announced an international competition for the design of a new General Administration Building for the Airlines.

Preliminary design studies and models conforming to terms and conditions stipulated by the Corporation should be submitted by June 7 along with estimated maximum total project costs; 5% will be allowed for full detailed working drawings and specifications to be prepared by the winning consulting architect. Charges for supervision of construction will be subject to negotiation.

An appointed committee will evaluate the designs and award the prizes of about $8,600, $2,200 and $1,000 for the best three.

Copies of the conditions, specifications and location map are available at the Saudi Arabian Embassy, 2800 Woodland Drive NW., Washington, D.C. One copy is also available for review by U.S. firms in the office of the Water Industries & Engineering Services Division, BDSA, Department of Commerce, Washington, D.C. 20230.

Late Leads—Information received too late to be of value to bidders is published because many readers will find it of value in follow-up campaigns to sell complementary products and subsidiary services. Sometimes a cable to an agent on the scene will result in tie-in sales.

U.S. DEPARTMENT OF COMMERCE—FIELD OFFICES

ALBUQUERQUE, N. MEX., 87101, U.S. Courthouse. Phone: 247-0311.

ANCHORAGE, ALASKA, 99501, Rm. 306, Loussac-Sogn Building. Phone: BR 2-0811.

ATLANTA, GA., 30303, 75 Forsyth St., N.W. Phone: 526-6000.

BALTIMORE, MD., 21202, Rm. 305, U.S. Customhouse, Gay and Lombard Sts., Phone: Plaza 2-8460 Ext. 2784.

BIRMINGHAM, ALA., 35203, Title Bldg., 2030 Third Ave., North. Phone: 325-3131.

BOSTON, MASS., 02110, Room 230, 80 Federal St. Phone: CApitol 2-2312.

BUFFALO, N.Y., 14203, 504 Federal Bldg., 117 Ellicott St. Phone: TI, 3-4216.

CHARLESTON, S. C., 29401, No. 4 North Atlantic Wharf. Phone: 722-6551.

CHARLESTON, W. VA., 25301, 3002 New Federal Office Bldg., 500 Quarrier St. Phone: 343-6196.

CHEYENNE, WYO., 82001, 207 Majestic Bldg., 16th & Capitol Ave. Phone: 634-2731

CHICAGO, ILL., 60604, 1486 New Federal Building, 219 South Dearborn St. Phone: 828-4400.

CINCINNATI, OHIO, 45202, 8028 Federal Office Bldg., 550 Main St. Phone: 381-2200.

CLEVELAND, OHIO, 44101, 4th Floor, Federal Reserve Bank Bldg., East 6th St. & Superior Ave. Phone: 241-7900.

DALLAS, TEX., 75202, Room 1200, 1114 Commerce St. Phone: Riverside 9-3287.

DENVER, COLO., 80202, 142 New Custom House, 19th & Stout St. Phone: 297-3246.

DES MOINES, IA., 50309, 1216 Paramount Bldg., 509 Grand Avenue, Phone: 284-4222.

DETROIT, MICH., 48226, 445 Federal Bldg. Phone: 226-6088.

GREENSBORO, N. C., 27402, Room 407, U.S. Post Office Bldg. Phone: 273-8234.

HARTFORD, CONN., 06103, 18 Asylum St. Phone: 244-3530.

HONOLULU, HAWAII, 96813, 202 International Savings Bldg., 1022 Bethel St. Phone: 58831.

HOUSTON, TEX., 77002, 5102 Federal Bldg., 515 Rusk Ave. Phone: CA 8-0611.

JACKSONVILLE, FLA., 32202, 512 Greenleaf Bldg., 204 Laura St. Phone: ELgin 4-7111.

KANSAS CITY, MO., 64106, Room 2011, 911 Walnut St. Phone: BAltimore 1-7000.

LOS ANGELES, CALIF., 90015, Room 450, Western Pacific Bldg., 1031 S. Broadway. Phone: 688-2830.

MEMPHIS, TENN., 38103, 345 Federal Office Bldg., 167 N. Main St. Phone: 534-3214.

MIAMI, FLA., 33130, Rm. 1628, Federal Office Bldg., 51 S.W. 1st Ave. Phone: 350-5267.

MILWAUKEE, WIS., 53203, Straus Bldg., 238 W. Wisconsin Ave. Phone: BR 2-8600.

MINNEAPOLIS, MINN., 55401, Room 304, Federal Bldg., 110 S. Fourth St. Phone: 334-2133.

NEW ORLEANS, LA., 70130, 909 Federal Office Bldg., (South) 610 South St. Phone: 527-6546.

NEW YORK, N.Y., 10001, 61st Fl., Empire State Bldg., 350 Fifth Ave. Phone: LOngacre 3-3377.

PHILADELPHIA, PA., 19107, Jefferson Bldg., 1015 Chestnut St. Phone: 597-2850.

PHOENIX, ARIZ., 85025, New Federal Bldg., 230 N. First Ave. Phone: 261-3285.

PITTSBURGH, PA., 15219, Room 2201, Federal Bldg., 1000 Liberty Ave. Phone: 644-2850.

PORTLAND, OREG., 97204, 217 Old U.S. Courthouse, 520 S. W. Morrison St. Phone: 226-3361.

RENO, NEV., 89502, 1479 Wells Ave. Phone: FA 2-7133.

RICHMOND, VA., 23240, 2105 Federal Bldg., 400 North 8th St. Phone: 649-3611.

ST. LOUIS, MO., 63103, 2511 Federal Bldg., 1520 Market St. Phone: MAin 2-4243.

SALT LAKE CITY, UTAH, 84111, 3235 Federal Bldg., 125 So. State St. Phone: 524-5116.

SAN FRANCISCO, CALIF., 94102, Room 9453, Federal Building, 450 Golden Gate Ave. Phone: 556-5868.

SANTURCE, PUERTO RICO, 00907, Room 628, 605 Condado Ave. Phone: 723-4640.

SAVANNAH, GA., 31402, 235 U.S. Courthouse and Post Office Bldg., 125-29 Bull St. Phone: ADams 2-4755.

SEATTLE, WASH., 98104, 809 Federal Office Bldg., 909 First Ave. Phone: MUtual 2-3200.

The firms and individuals in the following lists are interested in trade relations with U.S. businessmen. The commodities in which they have expressed interest are indicated by the numbers preceding the commodity classifications. These numbers refer to the Standard Industrial Classification (SIC) Manual, which is available for $2.50 a copy from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

Every effort is made to include only firms or individuals with good reputations. However, the Department of Commerce cannot be responsible for any resultant trade relations.

The listing in INTERNATIONAL COMMERCE of opportunities to trade in specific commodities and technical data does not necessarily imply approval of their export by the U.S. Department of Commerce pursuant to the U.S. Export Control Act. For applicable export licensing regulations and policies, see the Comprehensive Export Schedule or consult the Bureau of International Commerce's Office of Export Control or any Department of Commerce Field Office.

● indicates that the trade opportunity represents a request for bids by a foreign government agency. A (★) following indicates that additional information may be borrowed by firms located in the U.S. from the Business and Defense Services Administration (BDSA), Department of Commerce, Washington, D.C. 20230; telephone numbers indicated. To avoid delay, requests for loan material should specify country and commodity.

★★ indicates opportunities obtained by U.S. trade missions to other countries. A (★) following these indicates that additional information may be obtained by writing the Trade Opportunities Staff, BDSA-6192, Department of Commerce, Washington, D.C. 20230. The T.M. (trade mission) number is requested in correspondence. Requests for loan material should specify country and T.M. number.

WTD indicates that a World Trade Directory report is available on the foreign firm for which the trade opportunity is listed. These reports, indicating type of organization, sales territory, size of business, sales volume, trade and financial reputation, and other factors, are available for $1 each from the Bureau of International Commerce, BIC-8120, Department of Commerce, Rm. 6059 B. Telephone: 202-WO 7-4203. The date following the letters WTD refers to the date of issuance of the report.

Leads for Exporters

Listed below are companies interested in buying U.S. products. Direct purchases are wanted unless otherwise indicated. Approximate foreign tariff rates and customs applicable to the products listed below may be obtained from the Department of Commerce or the Department of Commerce field offices.

201 Meat Products

BRITISH GUIANA—Barrelled pickled beef, pork products; desires to act as sole distributor or on straight agency commission; direct purchase and agency. C. A. Phillips Ltd. (importer, wholesaler, retailer, manufacturers' agent), 165 Waterloo St., P.O. Box 209, Georgetown. WTD 4/8/64.

203 Canning, Preserving Foods

BRITISH GUIANA—Canned orange juice, pineapple juice, apple juice; desires straight agency commission or as sole distributors, requests replies from manufacturers only; direct purchase and agency. C. A. Phillips Ltd. (importer, wholesaler, retailer, manufacturers' agent), 165 Waterloo St., P.O. Box 209, Georgetown. WTD 4/8/64.

208 Beverage Industries

PAKISTAN—Dyestuff extracts, flavouring essences used in manufacture of butter, cheese; value $5,000. Lyallpur Model Dairies Ltd. (manufacturer), 601 Jinnah Colony, Lyallpur. WTD 11/24/64.

222 Broad Woven Fabric Mills, Manmade Fiber, Silk

GERMANY—Non-woven nylon fabrics, malleable, 35-40" wide, bleached or unbleached, to be used for manufacture of blouses, dresses, aprons; finished product should weigh between 2 to 3 oz. per sq. yd.; monthly demand value about $50,000. Franz Schmidt, Jr. (importer, wholesaler), 55-61 in de Tarpen, 2 Garstedt Bz. Hamburg. WTD 1/8/65.

SWEDEN—All kinds of nylon material and awning cloth for manufacture of shopping and other bags. Resi-Fabriken AB (importer, manufacturer), Gropen, Sweden. WTD 11/17/64.

225 Knitting Mills

FRANCE—Knitted underwear, nightwear, out-

erwear, gloves, mittens, caps, for infants. Bob et Bobette (retailer), 5 Place de la Republique, Paris, 3e. WTD 7/9/64.

228 Yarn, Thread Mills

CHILE—Nylon yarn for use in manufacturing knitted fabrics, bathing suits; requests replies in Spanish. Industrias Textiles Subelman y Fliman S.A. (manufacturer), Casilla 6568, Santiago. WTD 11/20/64.

PAKISTAN—Viscose, 60-75-100 denier (bright and dull); nylon, 15-20-30 denier monofilament, 45-60-70 multifilament (bright and dull); polyester 45/60/75/100 denier for shirting, suiting; acetate yarn, 75/100/120/150 denier (bright and dull); sub-standard and standard yarns; requests replies from manufacturers with price quotations c&f Karachi; direct purchase and agency. Shuja Industries (importer, manufacturer's agent), 59 Motan Bldg., Bunder Rd., Karachi. WTD 11/16/64.

229 Textile Goods

CHILE—Synthetic fibers, tops and noils, for use in manufacturing industry. Requests replies in Spanish. Industrias Textiles Subelman y Fliman S.A. (manufacturer), Casilla 6568, Santiago. WTD 11/20/64.

FRANCE—Foam-back fabrics. Societe Alsacienne des Tissages Gros Roman (manufacturer, dealer), 6 Rue d'Uzes, Paris, 2e. WTD 7/8/64.

230 Apparel

AUSTRIA—Men's and women's outer garments, particularly wash-and-wear materials; men's shirts; direct purchase and agency. Hoco Textilhandels Gesellschaft m.b.H. (importer, agent), Kaerntnerstrasse 21-23, Vienna I. WTD 1/8/65.

233 Women's, Misses', Juniors' Outerwear

FRANCE—Women's and misses' ready-made garments: blouses, dresses, suits, skirts, coats. Dag-Europ (importer, dealer), 35 Rue des Jeuneurs, Paris, 2e. WTD 7/9/64.

234 Women's, Misses', Children's, Infants' Under Garments

FRANCE—Children's and infants' underwear, nightwear. Bob et Bobette (retailer), 5 Place de la Republique, Paris, 3e. WTD 7/9/64.

235 Hats, Caps, Millinery

FRANCE—Children's and infants' hats, caps. Bob et Bobette (retailer), 5 Place de la Republique, Paris, 3e. WTD 7/9/64.

236 Girls', Children's, Infants' Outerwear

FRANCE—Girls' (age 2 to 12), children's, infants' outerwear, including dresses, blouses, waists, skirts, coats, suits. Bob et Bobette (etailer), 5 Place de la Republique, Paris, 3e. WTD 7/9/64.

238 Apparel, Accessories

FRANCE—Infants' gloves, mittens. Bob et Bobette (retailer), 5 Place de la Republique, Paris, 3e. WTD 7/9/64.

HONDURAS—Canvas workmen-type gloves, 1,000 pair required. Empresa Nacional de Energia Electrica (ENEE) (autonomous government agency), Departamento de Proveeduria, Aptdo. Postal No. 99, Tegucigalpa. WTD 7/14/64.

254 Partitions, Shelving, Lockers, Office, Store Fixtures

NETHERLANDS—Equipment for drive-ins and coffee shops, including display and service counter; refrigerated, and quick-service food-preparing equipment; direct purchase and agency. Beheermaatschappij Bura N.V. (management company, importer), 22 Parkweg, Voorburg. WTD 12/22/64.

262 Paper Mill Products

● **BURMA**—270 l.t. white crepe paper in various roll sizes, 50% mechanical wood pulp, 40 grams per sq. meter; 30 l.t. white crepe paper, in rolls, 50% mechanical wood pulp, 30 grams per sq. meter; 60 l.t. bleached white M.G. sulphite paper in sheets, 31″ x 43″ and 26″ x 30″, 35 grams per sq. meter; 3,000 sheets corrugated board, two face—single corrugation, thickness ⅛ in. to 3/16 in., 38″ x 80″. Tender No. 67/Paper/65, bid deadline March 1. The Secretary (1), People's Stores Corp., c/o Foreign Office, Prome Rd., Rangoon.★ (Telephone: 202-WO 7-3003).

PAKISTAN—Toilet requisites, particularly toilet paper, tissues; requests replies from manufacturers with price quotations c&f Karachi; direct purchase and agency. Kadar & Co. (importer, manufacturer's agent), Shop No. 10, Services Club, Behind Hotel Metropole, Karachi. WTD 6/29/64.

281 Industrial Chemicals

● **BURMA**—Assorted medicinal chemicals and botanicals (Burmese raw medicines): Ammonium chloride, sublimed 2nd quality, 10 tons in 100 kgm bags; borax crystal, 75 tons in 50 kgm bags; camphor powder, 5 tons; mercuric chloride, 1 ton; menthol crystals, 10 cases of 100 1-lb. tins per case; red arsenic, 2 tons; 250 tons of sulphur (roll); Mansel (arsenic disulfide), 2 tons; raskapuram, ½ ton; sea foam, 1 ton; mercury, 30 iron cask, 75 lb. net. Botanicals to be purchased are: Cassia (Java), 25 tons; cloves, 50 tons; cardamon big, 10 tons; cardamon green, 7 tons; 600 lb. of saffaron; gum bodge, 1 ton; kadoo, 7 tons; kaats, 2 tons, 5 tons of vasambu. Tender No. BRM/2/D&ID, bid deadline Feb. 11. General Manager, Drugs & Instruments Dept., Peoples' Stores Corp., 189/191 Maha Bandoola St., Rangoon. Cable: PEOPLEDRUG Rangoon.★ (Telephone: 202-WO 7-3394).

● **IRAN**—Sodium nitrate, 800 m.t., in jute bags with polyethylene inner bags. Bid deadline Feb. 23. The Armament Dept., The Imperial Iranian Army, Jeleh Ave., Tehran.★ (Telephone: 202-WO 7-2008).

282 Synthetic Materials

FRANCE—Synthetic materials, raw plastics for fabrication of miscellaneous plastic products. Direct purchase and agency. Office Franco-Americain pour le Commerce & l'Industrie (manufacturer, importer, dealer). 390 Rue Saint Honore, Paris, 1er. WTD 6/22/64.

KOREA—Plastic molding material (synthetic resins), virgin, virgin-off grade, specifically polyethylene (high or low density and film grade), polystyrene (high impact), P.V.C. powder (uncompounded), polypropylene (monofilament, extrusion use), scrap material, especially vinyl scrap (mixed color and white transparent), cellulose acetate scrap (ground or unground), offer agent only. Treasure Industries Co., Ltd., Room 318 Bando Bldg., 180, 1-ka, Ulchi-ro, Choong-ku, Seoul. (I.P.O. Box 1775). WTD 7/24/64.

PAKISTAN—Polyethylene, high and low density; PVC powder. Requests replies from manufacturers, quotations c&f Karachi. Direct purchase and agency. M. Nasir & Co. (importer, manufacturers' agent), Wirjee St., Jodia Bazar, Karachi. WTD 11/2/64.

TAIWAN—Polyethylene, in pellets, virgin off grade, natural color, low density, high pressure, for film; melt index: 3-6; density: 0.920-0.924. The Cathay Tea & Trading Co., Ltd. (importer, exporter), P.O. Box 381, Taipei. WTD 7/10/64.

283 Drugs

● **CEYLON**—Oral magnesium chloride stabilized liquid Trivalent polio vaccine in vials of 10 doses each, each dose to contain each of virus Types I, II and III at a titre of $10^{6.5}$ TCID 50 (tissue culture infective dose) and conform to WHO specifications; 250,000 doses. Bid deadline March 2.

Vitamin A & D capsules, 4 million capsules; vitamin B complex, 22 million tablets; ascorbic acid tablets, 6 million; diethylcarbamazine citrate, 50 mgm, 20 million tablets; dextrose B.P. 25% W/V, 360,000 ampoules, 25 cc each for I.V. use; dextrose injection 50% W/V, 135,000 ampoules, 50 cc each for I.V. use; iodochlorhydrozyquin, 250 mgm, 10 million tablets. Bid deadline March 2.

Compound cardamon tincture, B.P. to produce 2500 gal. of tincture cardamon, 2,500 lb. in 10 fl. lb. bottles; extract compound of gentian tincture, B.P. to produce 33,333 fl. lb. of tincture gentian, 2,000 fl. lb.; ipecac extract B.P. to produce 960 fl. lb., 240 lb.; strong ginger tincture (ext. pro. tincture Zingib fort), B.P. to produce 56.000 fl. lb. of strong ginger tincture, 1,400 lb. Bid deadline March 9.

Syrup phenoxymethyl penicillin containing 125 mgm phenox. penicillin in 4 mls., supplies in powder form or granules in 4 oz. bottles when reconstituted, 750 lb. Bid deadline March 16.

All above called for in tenders issued by: The Chairman, Tender Board, Dept. of Health, Director of Health Services (Supplies), No. 355. Deans Rd., Colombo 10.★ (Telephone: 202-WO 7-3394).

FRANCE—Vitamins, antibiotics, all kinds; pharmaceutical preparations to be mixed with poultry and cattle food to prevent spoilage, such as antioxidants. Direct purchase and agency. Prochimex (manufacturer, importer, dealer. sales agent), 20 Ave. Kleber, Paris, 16e. WTD 6/23/64.

284 Cosmetics, Perfumes

PAKISTAN—Cosmetics, perfumes, for men and women; requests replies from manufacturers with price quotations c&f Karachi; direct purchase and agency. Kadar & Co. (importer, manufacturers' agent), Shop No. 10, Services Club, Behind Hotel Metropole, Karachi. WTD 6/29/64.

SWITZERLAND—Cosmetics, all kinds, for department store, perfume shop; direct purchase and agency. Alpag AG. (manufacturer, manufacturers' representative), 21 Steinstrasse, 8045 Zurich. WTD 12/23/64.

287 Agricultural Chemicals

FRANCE—Anti-cryptogamic products. Direct purchase and agency. Engrais, Phosphates, Minerais (importer, dealer), 32 Rue de la Bienfaisance, Paris, 8e. WTD 6/29/64.

306 Fabricated Rubber Products

FRANCE—High pressure hose for public

works; expansion joints for use by construction industry. Etablissements AMCO (manufacturer, importer, dealer), 39 Rue de Paris, Clichy (Seine). WTD 6/30/64.

311 Leather Tanning, Finishing

NETHERLANDS—All kinds of first class raw and auxiliary high quality materials for manufacturing shoes, leather products, ladies' handbags, suitcases. Requests replies from manufacturers only; direct purchase and agency. G. Moller- de Rooij, Leder en Schoenfournituren N. V. (importer, wholesaler, sales agent, exporter), 134 Goirkestraat, Tilburg. WTD 1/5/65.

322 Glass, Glassware

PAKISTAN—Laboratory glassware, direct purchase and agency. Unique Scientific Traders (importing distributor), 26 Abkari Rd., Anarkali, Lahore 2. WTD 12/29/64.

330 Primary Metal Industries

CEYLON—Brass; mild steel; copper; aluminum and galvanized wire for manufacture of wood screws, machine screws, wire nails, copper and brass nails, rivets, panel pins, tin tacks. Nawaloka Industries, Ltd., (manufacturer), 42 Negombo Rd., Peliyagoda. WTD 1/7/65.

331 Steel Mill Products

● **BURMA**—300 rolled steel railway wheels, 30¼" dia. on tread 4-5/8" x 2-15/16" rim section. Tender No. 665/202/F.P., bid deadline Feb. 28. The Controller of Stores, Office of the Controller of Stores, Burma Railways, Botataung, Rangoon.★ (Telephone: 202-WO 7-2363).

● **ICELAND**—76,850 meters of steel pipe, nominal size range, 20 to 400 mm. Tender for Steel Pipes, bid deadline Feb. 18. Reykjavik Purchasing Center, Vonarstraeti 8, Reykjavik.★ (Telephone: 202-WO 7-2363).

333 Primary Smelting, Refining of Nonferrous Metals

KOREA—Aluminum ingots for rolling, casting. Agency only. Treasure Industries Co., Ltd., Rm. 318, Bando Bldg., 180, 1-ka, Ulchi-ro, Choong-ku, Seoul. (I.P.O. Box 1775). WTD 7/24/64.

342 Cutlery, Hand Tools, General Hardware

PAKISTAN—Locks to be fitted to suit cases, brief cases, bags, valued at $22,000, direct purchase and agency. Aziz-ud-din Ghulam Mohi-ud-din Butt (Regd.) (printers, importing distributor), Chowk Urdu Bazar, Lahore. WTD 11/24/64.

343 Heating Apparatus, Plumbing Fixtures

CHILE—Appliances, burners, other items for propane gas. Cia. Distribuidora de Gas de Magallanes S.A. (importer), Casilla 22-D., Punta Arenas. WTD 12/10/64.

346 Metal Stampings

PAKISTAN—Crucibles, buckner funnels; direct purchase and agency. Unique Scientific Traders (importing distributor), 26 Abkari Rd., Anarkali, Lahore. WTD 12/29/64.

349 Fabricated Metal Products

ISRAEL—Impulse steam traps from ½-1½"; requests catalogs, specifications, price lists. Direct purchase and exclusive agency. Interested in possibility of importing internal parts and assembling them in body to be manufactured locally. Zvi Blass & Co. (importer, manufacturer, wholesaler), 39 Peretz St., P.O.B. 912, Tel Aviv. WTD 10/21/64.

352 Farm Machinery

GERMANY—All types of agricultural machinery and equipment; requests replies in German from manufacturers only; direct purchase and agency. K. H. Lohr & Co. (manufacturer, importer, wholesaler), Obere Lagerstrasse 19, 8031 Puchheim-Bahnhof b. Muenchen. WTD 12/10/64.

353 Construction, Mining, Material Handling Machinery

● **BURMA**—2 meter gauge 45-ton diesel breakdown cranes with match truck. Tenders must be submitted in triplicate in sealed envelopes. Bid deadline March 15. The Chairman, Union of Burma Railway Board, Bogyoke Aung San St., Rangoon. Documents available upon payment of K 70/- (Kyats Seventy) per set at aforementioned address.

CHILE—Construction materials, equipment, machinery, spare parts for small sawmill industry in Punta Arenas. Also interested in representing U.S. manufacturers of construction materials. Requests replies in Spanish. Nicolas Mladinic e Hijos Ltda. (importer, wholesaler, retaler), Casilla 9, Punta Arenas. WTD 12/28/64.

FRANCE—Excavting machinery and equipment. Entreprise Quemeneur & Cie. (public works), Traon-Elorn, Plouedern par Landerneau (Nord-Finistere). WTD 7/6/64.

Hoisting equipment, 80 to 150 m.t.; concrete mixers. Societe D'Etude & De Realisation de Procedes Economiques de construction (public works), Chemin de la Borde, Montesson (Seine & Oise). WTD 7/7/64.

MEXICO—Forklift tractors: 7 of 2¼-ton capacity, 4 of 5½-ton capacity, 4 of 9-ton capacity; 2 of 18-ton capacity; 12 stevedoring tractors, each to pull carts with 75-ton load; 100 stevedoring carts. Union de Carretilleros y Jornaleros de la Zona Maritima del Puerto de Veracruz (cooperative and labor union), Rayon No. 40, Veracruz, Ver. WTD 11/10/64.

● **NEW ZEALAND**—Supply of 4 on-track ballast tampers equipped for lifting and leveling track. Tender No. NZR. 64/577, bid deadline March 3. Specifications available from the New Zealand Senior Trade Commissioner, 1145-19th St. NW., Washington, D.C. 20036. (Telephone: FE 8-8820). Tender documents and drawings may be reviewed in the Transportation Equipment Division, BDSA-6340, Department of Commerce, Rm. 4314, Washington, D.C. 20230.

PAKISTAN—Cranes up to 10 tons, mobile, stationary; excavators, crawlers; rollers, road 3 wheeled 5, 8, 10 tons; vibrator rollers 1 to 1½-ton hand and diesel operated; hoists 10 cwt, 15 cwt, 1 ton up to 100 feet, diesel operated; compactor soil rammers; concrete vibrator 2.5 hp., 9,000-12,000 vibrators 1" to 2½"; drilling rigs, wells; asphalt plant complete with finisher, 40, 60, 80 tons mobile and stationary; crusher stone 15, 20, 30, 50 tons per hour ¾" to 2" hard stone; pneumatic tools and drills. Estimated value, $150,000 for private sector, about $2 million for government sector. Cimex Corp. Ltd. (importing, distributor), Gardee Chambers, Napier/Thornton Rd., Lahore. WTD 12/30/64.

SWEDEN—Heavy machinery, equipment for construction industry such as excavators, concrete mixers, cranes, pavers, power shovels; direct purchase and agency. Bergman Borr AB (importer, exporter, manufacturer, sales agent), Svetsarvagen 20, Solna. WTD 12/18/-64.

354 Metalworking Machinery

AUSTRALIA—Pipe-making and related machinery capable of producing pipe in ⅜" mild steel up to 20" diameter; particularly interested in strip-rolling methods. Steel Tank & Pipe Constructions Pty. Ltd. (manufacturer), Parker St., Carrington, N.S.W.

ISRAEL—Metal-hardening equipment; particularly interested in "shoot-pining" process in which hardening is induced by air-blasted aggregate. Michael Goldbart (manufacturer), P.O. Box 1566, Haifa. WTD 3/31/64.

PAKISTAN—Milling machines 30" x 8" and above; lathes' bed size less than 4' and above 16'; threading machines; shapers; extruders' presses; value $3,000 to $3,500 for each unit; direct purchase and agency. Cimex Corp. Ltd. (importing distributor), Gardee Gardens, Napier/Thornton Rd., Lahore. WTD 12/30/64.

UAR—Vertical extrusion press of 2000 m.t. capacity; piercing press 400 m.t.; power of main ram 1600 m.t. Equipment to produce aluminum strips by cold rolling. Two draw benches: one, 25 m.t. and one, 50 m.t. Requests catalogs and price quotation fob or cif Alexandria from manufacturer only. The Egyptian Copper Works S.A.E. (manufacturer), Hagar el Nawatieh, Alexandria. WTD 7/25/64.

355 Special Industry Machinery

AUSTRALIA—Machine for winding cricket balls. J. L. Burley Pty. Ltd. (manufacturer), 30-32 Royal St., East Perth, Western Australia. WTD 8/4/64.

CHILE—Materials for galvanizing plant; chronium and nickel plating equipment. Requests replies in Spanish. Ernesto Witt Molkenbuhr (manufacturer), Casilla 236, Punta Arenas. WTD 12/28/64.

NEPAL—Paper machinery, complete plant to make strawboard and corrugated paper from sabai grass and rice straw; capacity 10 tons a day, with provision for expansion to 25 tons. Catalogues and quotations c.i.f. Calcutta desired. Nepal Commercial Corp. (Nepal) Ltd., Hotel Royal, Kathmandu. WTD 1/4/65.

NETHERLANDS—Machinery for automatic clay processing. Direct purchase and/or agency. Requests replies from manufacturers only, with prices and catalogs. Limburgse Machinefabriek Lima N.V. (importer, manufacturer, exporter), 4 Dr. Poelstraat, Reuver (L). WTD 1/7/65.

PAKISTAN—Machinery for manufacturing plywood sheets 5 mm x 8' x 4' of 2000 sheets per 8-hr. shift ($120,000); direct purchase and agency. Cimex Corp. Ltd. (importing distributor), Gardee Gardens, Napier/Thornton Rd., Lahore. WTD 12/30/64.

SWITZERLAND—Silk screen printing equipment and supplies. Perrot SA (importer, distributor), 5 Rue Neuve, 2500 Bienne. WTD 1/4/65.

UAR—Complete aluminum foil plant; requests replies from manufacturer with catalogs and price quotations f.o.b. or c.i.f. Alexandria; direct purchase. The Egyptian Copper Works S.A.E. (manufacturer), Hagar el Nawatieh, Alexandria. WTD 7/25/64.

Plastic molding presses (drawings available from firm on request); requests replies from manufacturers. The Egyptian Copper Works S.A.E. (manufacturer), Hagar el Nawatieh, Alexandria. WTD 7/25/64.

356 General Industrial Machinery

CEYLON—Salvage and damage control equipment such as portable gasoline-powered pumps with capacity of 60-500 gallons per minute similar to U.S. Navy type P-60 and P-500, portable cutting and burning equipment, miscellaneous hardware. Captain of the Navy, Royal Ceylon Navy Headquarters (State agency), Colombo.

ITALY—Oil and kerosene pumps for oil burners, maximum delivery pressure 350 p.s.i. Bruciatori "B.B." di Bongiovanni & Bracco (manufacturer), Carru' (Cuneo Province). WTD 10/6/64.

UAR—Electric arc furnaces, one of 20 m.t. capacity, two of 5 m.t. capacity; requests replies from manufacturers with catalogs and price quotations f.o.b. or c.i.f. Alexandria. The Egyptian Copper Works S.A.E. (manufacturer), Hagar el Nawatieh, Alexandria. WTD 7/25/64.

Heat-treatment furnace (specifications available on request from company); requests replies from manufacturer. The Egyptian Copper Works S.A.E. (manufacturer), Hagar el Nawatieh, Alexandria. WTD 7/25/64.

357 Office, Computing, Accounting Machines

GERMANY—Small, new electric office machinery and equipment; requests price quotations c.i.f. European ports. O. A. Wilde KG. (importer, manufacturer), 113 Bagelstrasse, 4 Duesseldorf. WTD 12/17/64.

● **INDIA**—One automatic electronic collator for assembling large quantities of multi-page publications. Tender No. AEE/P/CAP/9557, bid deadline Feb. 15. Atomic Energy Establishment, Trombay Purchase Division, Mohatta Bldg., 3rd Floor, Palton Rd., Bombay 1.★ (Telephone: 202-WO 7-2939).

358 Service Industry Machines

HONG KONG—Air conditioners. Roxy Electric Co., Ltd., 1301-1302 Liu Chong Hing Bank Bldg., 24A Des Voeux Rd. Central, Hong Kong. WTD 10/21/64.

THAILAND—Food dehydration machinery. Seeks information on machinery for dehydrating and processing rice, local vegetables, sweets, meats, sauces. Desires data on capabilities, capacities, costs and delivery times. Commanding General, Military Research & Development Center, Directorate of Education & Research, Ministry of Defense, Bangkok. (Attn: Combat Equipment Division).

361 Electric Transmission, Distribution Equipment

● **IRAQ**—Supply, installation, commissioning of 1-500 kva and 1-200 kva, 3 phase, 50 cycle oil immersed transformers; 2 ring main units including 1 metalclad circuit breaker suitable for 500 and 200 kva-2 isolators and other miscellaneous equipment. Contract No. 5-E, bid deadline Feb. 15. Directorate General of the Sewerage Board, Bustan Kubbah, Sadoon St., Baghdad. Terms and specifications available from Directorate General for $42 per copy plus $4 for mailing charges. Copy of specification available for review only in Rm. 4124, Power & Electrical Equipment Division, BDSA-6430, Department of Commerce, Washington, D.C. 20230. (Telephone: 202-WO 7-4242).

PAKISTAN—Electrical measuring instruments, ammeters, voltmeters; direct purchase and agency. Unique Scientific Traders (importing distributor), 26 Abkari Rd., Lahore. WTD 12/29/64.

362 Electrical Industrial Apparatus

GERMANY—Motor-generator welders, self-contained units, up to about 200 amps. welding current, 20/30 v., infinite current control, small portable compact package weighing not over about 100 lb., measurements about 25 x 16 x 16", price f.o.b. U.S. Port not over about $350-400. F. Heins & Co. (wholesaler), Hansestrasse, 28 Bremen. WTD 12/23/64.

ITALY—Electrical motors for oil burners, 0.10 to 1.00 h.p. Bruciatori "B.B." di Bongiovanni & Bracco (manufacturer), Carru' (Cuneo Province). WTD 10/6/64.

● **JORDAN**—Two generating units, 3,000 kw each. Bid deadline Feb. 14. Jerusalem District Electricity Co., P.O. Box 118, Jerusalem. Specifications available from Kennedy & Donkin, Premier House, Woking, Surrey, England for $8.40 per set (three sets required if job bid). Lowest bid not necessarily accepted.

363 Household Appliances

AUSTRIA—All types of electrical household appliances; requests replies from manufacturers only, c.i.f. European ports. Direct purchase and agency. A. Rauer (importer, wholesaler, agent), Maria Theresien Strasse 9, Vienna IX. WTD 1/7/65.

FRANCE—Electrical household appliances, including washing machines, humidifiers, dehumidifiers, toasters, window fans, portable air conditioners. Requests replies from manufacturers. Direct purchase and agency. Euromater (importer, dealer, agent), 44 Rue La Boetie, Paris, 8e. WTD 6/16/64.

NETHERLANDS—Electric space heaters which store heat during night, release it during day. Requests replies from manufacturers only; direct purchase and agency. Veltmeijer & Schalken's Handelsmaatschappij N.V. (importer, wholesaler, agent), 106 Maashaven N.Z., Rotterdam-20. WTD 1/7/65.

364 Electric Lighting, Wiring Equipment

PAKISTAN—Miniature size electric bulbs for low voltage use in autos, torches; value $60,000; direct purchase. Cimex Corp. Ltd. (importing distributor), Gardee Gardens, Napier/Thornton Rd., Lahore. WTD 12/30/64.

366 Communication Equipment

● **PAKISTAN**—Double wire interlocking equipment for 3 stations on a section of the Pakistan Eastern Railway. Tender No. PD/LSIG/45/1, bid deadline Feb. 27. East Pakistan Railway Board, Railway Bldg., Chittagong. Tender documents and specifications can be obtained from the Secretary, East Pakistan Railway Board at the above address or may be reviewed only in the Transportation Equipment Division, BDSA-6340, Department of Commerce, Rm. 4314, Washington, D.C. 20230.

367 Electronic Components, Accessories

FRANCE—Grids for electronic microscopes; all kinds of new electronic microscope accessories. Rene Janning (importer, dealer), 92 Blvd. Murat, Paris, 16e. WTD 11/27/63.

373 Ship Building, Repairing

CEYLON—Naval-type craft according to following U.S. Navy specifications: 12 LCM/LCVP, 2 LCU, 1 ARSD, 20 CGPB (82-95 feet), 2 DUKW, 6 Seward Counter-Infiltration 40 ft. boats. Captain of the Navy, Royal Ceylon Navy Headquarters (Government agency), Colombo.

381 Engineering, Laboratory, Scientific, Research Instruments

CEYLON—Meteorological observation instruments. Captain of the Navy, Royal Ceylon Naval Headquarters (State agency), Colombo.

PAKISTAN—Laboratory equipment, all kinds, for use in colleges, research centers, school; valued at $22,000; direct purchase and agency. Cimex Corp. Ltd. (importing distributor), Gardee Gardens, Napier/Thornton Rd., Lahore. WTD 12/30/64.

● Laboratory equipment including, but not limited to: Rotary microtomes with accessories, orthomat, clinical microscopes, dissecting stereoscopes, magnifiers, analytical balance, centrifuges, haemocytometers. Tender No. S-9/487/SCI/64-65, bid deadline Feb. 13. The Director of Supply, Government of East Pakistan, Eastern Estate Bldg., 48 Motijheel Commercial Area, Dacca 2.★ (Telephone: 202-WO 7-2939).

382 Instruments for Measuring, Controlling, Indicating Physical Characteristics

PAKISTAN—Radio-carbon assaying equipment for geo-chronological laboratory. Geology Dept., University of Peshawar (Government agency), Peshawar district.

SWEDEN—Parking meters and equipment for parking places and parking garages; equipment for control and isolation of vibrations; direct purchase and agency. AB Sveatrade (importer, sales agent), Nybrogatan 44, Stockholm. WTD 11/30/64.

383 Optical Instruments

PAKISTAN—Microscopes, spectrometers; direct purchase and agency. Unique Scientific Traders (importing distributor), 26 Abkari Rd., Anarkali, Lahore 2. WTD 12/29/64.

384 Surgical, Medical, Dental Instruments

AUSTRALIA—Direct current defibrillator; direct purchase and agency. Both Equipment Ltd. (importer, exporter, wholesaler, manufacturer), 52 Alfred St., Milson's Point, N.S.W. WTD 7/24/64.

● **BURMA**—Surgical equipment including, but not limited to: 500 stethoscope ear pieces, 120 dozen various types of forceps, 4100 dozen hypodermic needles, 1360 various types of scissors, 750 packets of sutures, 1000 dozen feeding bottles. Tender No. 1075/64-5/D & ID, bid deadline Feb. 15. The General Manager, Drugs & Instruments Dept., People's Stores Corp., 189/191 Maha Bandoola St., Rangoon.★ (Telephone: 202-WO 7-2939).

● **IRAQ**—Supply of 40,000 dozen hypodermic needles, various sizes; 3,270 dozen hypodermic syringes, various capacities. Tender No. MOH/1/65, bid deadline Feb. 28. General Drugs & Chemicals Imports & Distribution Co., Baghdad.★ (Telephone: 202-WO 7-2939).

PAKISTAN—Dental alloys amalgam; direct purchase and agency. Universal Dental Supply Co. (importing distributor), 9 Beadon Rd., Lahore. WTD 12/24/64.

386 Photographic Equipment

PAKISTAN—Photostat equipment, $10,000; combined photocopying and developing machine, maximum print performance 130 m/h.;

photocopying machine, maximum print performance 150 m/h.; automatic print trimmer; automatic dry developing machine; direct purchase and agency. Aziz-ud-din Ghulam Mohi-ud-din Butt (Regd.) (printers, importing distributors), Chowk Urdu Bazar, Lahore. WTD 11/24/64.

SWITZERLAND—All types of motion picture and photographic products. Direct purchase and agency. Perrot AG (importer, distributor), 5 Rue Neuve, 2500 Bienne. WTD 1/4/65.

● **VIET-NAM**—Supply of blueprinting equipment. Tender No. 1587-31124, bid deadline Feb. 19. Terms in English, specifications in French. Central Purchasing Authority, 140 Hong Thap Tu, Saigon.★ (Telephone: 202-WO 7-2939).

394 Toys, Amusement, Sporting Goods

SWEDEN—All kinds of articles and equipment for pets; fishing rods, tackles, trousers, boots; all types of tennis equipment; air guns; hunting knives; flash lights. Odal Bergstroms Eftr. (importer, wholesaler), Brantingsgatan 44 (P.O. Box 27164), Stockholm. WTD 12/16/64.

395 Office Supplies

● **VIET-NAM**—Supply of office equipment and stationery including, but not limited to: 12,000 boxes carbon paper; 10,000 rolls graph paper; 50,000 reams onionskin paper; 3,000 bottles indelible ink; 12,000 boxes tape. Tender No. 1593-07015, bid deadline Feb. 17. Terms in English, specifications in French. Central Purchasing Authority, 140 Hong Thap Tu, Saigon.★ (Telephone: 202-WO 7-2939).

399 Manufacturing Industries

SWEDEN—All kinds of material for window displays and window advertising, such as covering and background materials; stands; statues; equipment for constructing animated displays; artificial flowers, bushes, branches. Handels & Fabriksfirman Stiko (importer, retailer, wholesaler, exporter), Vallingatan 35, Stockholm. WTD 12/8/64.

Late Leads—Information received too late to be of value to bidders is published because many readers will find it of value in follow-up campaigns to sell complementary products and subsidiary services. Sometimes a cable to an agent on the scene will result in tie-in sales.

Prequalification bids invited by Mexico on irrigation system

The Secretariat of Hydraulic Resources, Mexico, D.F., is inviting engineers and construction firms to register their qualifications as bidders on an irrigation system at the President Adolfo Lopez Mateos Dam in the Guamuchil Valley of Sinaloa State.

No deadline has been specified, but interested parties should register as soon as possible enclosing a payment fee of 50 Mexican pesos and providing certain information. The Secretariat will determine which firm it considers qualified to bid on the projects.

Instructions and forms for registration and information on selection and bidding processes may be obtained from: Direccion de Construccion de Grande Irrigacion, Secretaria de Recursos Hidraulicos, Paseo de la Reforma No. 69, 10° piso, Mexico, D.F.

International Representation

The firms listed below are interested in representing U.S. firms in the areas indicated. Exclusive distributorship for these commodities is wanted only if specified.

205 Bakery Products

NETHERLANDS—Special-type bakery products, all kinds; requests replies from manufacturers only. Koninklijke Zeelandia H. J. Doeleman N.V. (importer, manufacturer, exporter, agent), Fabriek van Bakkerijgrondstoffen, 11 Poststraat, Zierikzee. WTD 12/10/64.

209 Food Products

★★ GREECE—Trade Mission

Dried milk, frozen meats, self-rising, other flour, ship stores, other food products on commission basis. Mr. A. Zenzefillis & Mr. Nick Kardonis, Kardonis (agent), 96 Kolokotroni, Piraeus. WTD 1/12/65. TM 44.

221 Broad Woven Fabric Mills, Cotton

BELGIUM—Offers on nylon, imitation leather and buckskin upholstery materials requested, also new lines in drapery field, curtain fabrics or other window dressings. Walter A. Desmet, P.V.B.A. (commission merchant), 14 Doornikstraat, Kortrijk. WTD 12/31/64.

228 Yarn, Thread Mills

VIET-NAM—Rayon yarns, 60D, 75D, 100D, 120D, bright, semi dull on cone; acetate filament yarns, 55D, 75D, 85D, 100D, 120D, bright, semi dull on cone; hosiery acrylic yarns on cone, acrylic yarn 100%, highly bulky yarn for hosiery, dyed in various colors, spinning count, 28/2-30/1, 32/1, 36/1, 40/2, 41/1, 48/1. United Trading Co., (manufacturers' representative), 161 Ham Nghi, P.O. Box 1056, Saigon. WTD 1/2/65.

263 Paperboard Mills

IRAN—Cardboard for box making; requests listings of various types of cardboard, with quotation c&f Khorramshahr. Sherkat Sahami Moamelat Kaghaz Va Moghava (importer), 12 Saraye Chitsaz, Tehran. WTD 1/11/65.

264 Converted Paper, Paperboard Products

IRAN—Wrapping paper, oiled; requests listings of various types of wrapping paper, quotations c&f Khorramshahr. Sherkat Sahami Moamelat Kaghaz Va Moghava (importer), 12 Saraye Chitsaz, Tehran. WTD 1/11/65.

281 Industrial Chemicals

IRAN—Chemicals for use in oil industry. Maison Meinhold S.A., (importer), Saadi Ave., Nemazi Bldg. Tehran. WTD 5/28/64.

Dyes for textiles; paints and pigments for plastic products. Aftab Shargh Technical & Trading Corp. (importer), Ferdowsi Ave., Aftab Shargh Bldg., Tehran. WTD 11/18/64.

SYRIA—Full line of industrial chemicals. Sabbagh, Ibrahim, P.O.B. 2737, Damascus, S.A.R. WTD 1/5/65.

VIET-NAM—Dyestuffs and auxiliaries: direct, vat, acid, sulphur; pigments and auxiliaries: color bases, binder, thickening agent (emulsifier) and fixer; colors. United Trading Co. (manufacturers' representative), 161 Ham Nghi, P.O. Box 1056, Saigon. WTD 1/2/65.

282 Synthetic Materials

★★ GREECE—Trade Mission

Polyethylene for extrusion, injection moulding, film; P.V.C., all grades; P.V.A.; dibutyl stearate; dioctyl stearate. Mrs. Julia Petropoulou, Dem. J. Petropoulos (agent), 38 El. Venizelou, Athens. WTD 1/12/65. TM 48.

IRAN—Nylon, polyester, rayon, acrylic; PVC, Polyethylene. Aftab Shargh Technical & Trading Corp. (importer), Ferdowsi Ave., Aftab Shargh Bldg., Tehran. WTD 11/18/64.

283 Drugs

AUSTRALIA—Pharmaceutical lines, patent medicines. L. J. Mitchell & Co. (wholesaler), 6 & 7 Cremorne Arcade, Perth, Western Australia. WTD 11/25/64.

284 Cosmetics

AUSTRALIA—Cosmetics, toilet preparations, particularly for ladies. L. J. Mitchell & Co. (wholesaler), 6 & 7 Cremorne Arcade, Perth, Western Australia. WTD 11/25/64.

287 Agricultural Chemicals

★★ GREECE—Trade Mission

Line of agricultural chemicals. Mr. A. Zenzefillis & Mr. Nick Kardonis, Kardonis (agent), 96 Kolokotroni, Piraeus. WTD 1/12/65. TM 46.

352 Farm Machinery

★★ GREECE—Trade Mission

Line of agricultural equipment, machinery. Mr. Zenzefillis & Mr. Nick Kardonis, Kardonis (agent), 96 Kolokotroni, Piraeus. WTD 1/12/65.

353 Construction Machinery

IRAN—Oil field equipment. Maison Meinhold S.A. (importer), Saadi Ave., Nemazi Bldg., Tehran. WTD 5/28/64.

355 Special Industry Machinery

AUSTRALIA—Paper pulp, paper mill, paper converting machinery, woodworking machinery, viz. sawmill and logging equipment. Paper Mill & Industrial Supply Co. Pty. Ltd. (representatives), Box 4194, G.P.O., Sydney. WTD 12/31/64.

365 Radio Sets

VIET-NAM—Transistor radio sets, table model, cabinet as large as possible; medium wave from 1,600 kc/s (190 meters) to 520 kc/s (580 meters); CF price: less than US $10 per unit; 30,000 to 50,000 units can be sold immediately. United Trading Co., (manufacturers' representative), 161 Ham Nghi, P.O. Box 1056, Saigon. WTD 1/2/65.

367 Electronic Equipment, Accessories

GERMANY—Electronic measuring and communication equipment, electronic components; requests replies from manufacturers only. Omni Ray GmbH (importer, wholesaler, sales agent), 164 Nymphenburger Strasse, 8 Muenchen 19. WTD 12/10/64.

Leads for Importers

Commodities are offered direct unless specified.

205 Bakery Products

SWEDEN—Bread; other baked foods. AB Pagen (manufacturer), Lantmannagatan 32, Malmo S. WTD 10/30/64.

208 Beverage Industries

GREECE—Seeks U.S. distributor(s) for distilled products (OUZO "Sans Rival"–aperitif) able to import on own account; outlets sought for middle Atlantic states, midwest, West Coast, on national or regional basis. Chris Thomopoulos, Greek Distilleries (P.Ch. Thomopoulos & Son), 3 Nikita St., Piraeus. WTD 12/30/64.

209 Food Preparations

GREECE—Bee culturing co. seeks U.S. firm to distribute its high grade honey, in jars and cans from ½ to 2 lb., packed in cartons of 24 to 96 units. "Attiki" (manufacturer), Paul Melas St. 27, Athens. WTD 1/12/65.

251 Household Furniture

SWEDEN—Furniture, garden, metal. Paulssons Jarnbolag (manufacturer), Halsingborg. WTD 11/17/64.

307 Plastic Products

SWEDEN—Plastic gloves for workmen. Kvalitetsimport (manufacturer's agent), Arkitektvagen 11 B, Alingsas. WTD 11/17/64.

354 Metalworking Machinery

SWEDEN—Grinding machines, centerless and disc. Nyberg & Westerberg AB, (manufacturer), Akersberga. WTD 10/30/64.

357 Office, Computing, Accounting Machines

GERMANY—Electric staplers, direct purchase. Price quotations fob Hamburg or Bremen. O. A. Wilde KG. (manufacturer, exporter), 113 Bagelstrasse, 4 Duesseldorf. WTD 12/17/64.

358 Service Industry Machines

SWEDEN—Manufacturer wishes to export refrigerating compressors for R12, R22 and ammonia up to 200 tons. STAL Refrigeration AB, Butangsgatan 16 (Box 417), Norrkoping. WTD 3/6/64.

382 Instruments for Measuring, Controlling, Indicating Physical Characteristics

SWEDEN—Ship thermometers (exhaust gas, cold storage). Handels AB Argenta (manufacturer), Box 14070, Goteborg 14. WTD 3/13/64.

399 Manufacturing Industries

KENYA—Manufacturer and exporter seeks agents (world-wide) for fine wood carvings, African curios. East Africa Handicraft Industries, P.O. Box 5770, Nairobi. WTD 10/2/63.

505 Farm Products, Raw Material

TANZANIA—Wet salted crocodile skins (bellies). International Trading & Credit Co. of Tanganyika Ltd., (INTRATA) (importer, exporter), P.O. Box 9172, Dar es Salaam. WTD 8/5/63.

Visiting Buyers and Officials

Scheduled arrival dates and U.S. addresses indicated.

AUSTRALIA—Robert William Turner, Vice Chairman and Chairman, representing Bowater Paper Co. Pty. Ltd. and Paper Mill & Industrial Supply Co. Pty. Ltd., P.O. Box 4194, Sydney, A.M.P. Bldg., Sydney Cove, Circular Quay, Sydney, **interested in obtaining agencies for paper pulp, paper and paper converting equipment.** March 1965, via New York, for one month, c/o Bowater Paper Co., Inc., 250 Park Ave., New York. Itinerary: Boston; Cleveland; Niagara and New York, N.Y.; Philadelphia; Chicago; San Francisco, Los Angeles. WTD 12/31/64.

Eric E. Davis, General Manager, and Joshua Hayne, Sales Manager, Akhnaton Traders, 89 Baringa Rd., Northbridge, N.S.W., importer of **tools, machine tools, gifts and electronic components,** interested in **establishing branch office in San Francisco;** requesting technical information on comparison of Australian and U.S. standards for various types of machinery and machine tools. March 1 via San Francisco for two years, c/o Australian Trade Commissioner, 350 Post St., San Francisco, Calif. Itinerary: New York, Chicago, New Orleans, Los Angeles, San Antonio, Pittsburgh, Honolulu.

George Frederick Thompson, Managing Director, Thompson Wire Products Pty. Ltd., 16-18 Alexander St., Auburn, N.S.W., interested in visiting U.S. manufacturers of **wire fan guards** preferably for oscillating desk fans with 10 to 20" diameter; **wire lampshade frames;** requesting technical information. April 24 via New York for two weeks, c/o Department of Commerce Field Office, 350 Fifth Ave., New York, N.Y. 10001; Hollywood Plaza Hotel, Vine & Hollywood Blvd., Hollywood, Calif. Itinerary: New York, Niagara Falls, Los Angeles, San Francisco.

Lester Todd Padman, representing Press Etching Pty. Ltd., 18 Little Edward St., Brisbane, Queensland, interested in **photo engraving, graphic arts reproduction equipment.** April 30, via New York, for 4 weeks, c/o Lotos Club, 5 E. 66th St., New York, N.Y. Itinerary: New York, Rochester, Philadelphia, Seattle, San Francisco. WTD 8/24/64.

Mayer Tocatly representing Tradisphere Agencies, Pty., Ltd., 822 George St., Sydney, N.S.W., **interested in representing U.S. manufacturers of textiles, furnishings, furniture, tailoring goods, footwear, millinery, umbrella fabrics, accessories, handbags, plastics, yarns, paper.** May 2, via San Francisco, in transit to New York, for one week, c/o Abbey Hotel, New York City. Itinerary: New York. WTD 9/23/63.

ENGLAND—R. Dennis Gregson, Area Export Sales Manager, representing Lancer/Boss Group, Leighton Buzzard, Bedfordshire, interested in **setting up importing distributors in the United States for a range of front and side loading mechanical handling vehicles.** Jan. 25, via New York, for four months, c/o The British-American Chamber of Commerce, British Trade Centre, 355 Lexington Ave., New York. Itinerary: New York, Dallas, Houston, Los Angeles, San Francisco.

B. K. Willis and D. D. Medcalf, representing Symbol Biscuits Ltd., Sunya House, Scrubs Lane, Willesden, London, N.W. 10, interested in **materials, handling and production techniques for packaging.** Feb. 19 via San Francisco for five weeks. c/o Biscuit & Cracker Baker, 71 Vanderbilt Ave., New York, N.Y. 10017. Itinerary: San Francisco, Los Angeles, New York, Chicago.

GERMANY—Emil Weber, representing Emil Weber, Fabrik Hydraulischer Apparate, 18 Seebergstrasse, 7129 Gueglingen, Wuerttemberg, interested in **visiting U.S. manufacturers of hydraulic equipment** to exchange experiences; **concluding licensing or cross-licensing agreements with U.S. manufacturers** in this field. Beginning March via New York for two weeks, c/o Trade & Industry Tours Assoc., Inc., Holiday Inns of America, 440 W. 57th St., New York, N.Y. 10019; Miss Ulla Hofheinz, Globe Travel Service, 127 N. Dearborn St., Chicago, Ill. 60602. Itinerary: New York, Chicago, Milwaukee, Lexington.

Richard Metzke, representing Richard Metzke Sohn, 22 Am Kran, Westhafen, 1 Berlin 65, interested in **purchasing large quantities of pig entrails (sausage casings) and artificial sausage casings** from meat manufacturers and slaughter houses. Feb. 5 via New York for three weeks. c/o Department of Commerce Field Offices in itinerary. Itinerary: New York, Chicago.

IRAN—Sultan Morad Bakhtiar, representing Isfahan (Beet) Sugar Factory, Isfahan, interested in **inspecting and possibly purchasing complete line of machinery designed to separate beet sugar from molasses and several fully automatic centrifuge machines** for related operations of sugar beet factory. Jan. 25 to March 15, via New York. c/o U.S. Department of Commerce Field Office, New York; later, 415 South Maple Ave., Fresno, Calif. Itinerary: New York, San Francisco, Los Angeles. WTD 1/7/65.

ITALY—Sig. Pietro Rossi, representing S.P.A. Pietro Rossi, 7 Via D'Annunzio, Florence, interested in manufacture of **dyes for leather, polishes, shoe polish, floor waxes and similar products;** wishes to visit some U.S. plants that manufacture these products. Jan. 15, via New York for six weeks; c/o Italian Consulate General, New York. Itinerary: New York, Boston, Chicago, San Francisco, Los Angeles. WTD 12/22/64.

NEW ZEALAND—Eric P. Simon, Managing Director, representing Simon Metal Products, Ltd., Harlor St., Lower Hutt, interested in purchasing **special machinery for producing stainless steel cutlery** (knives, forks, spoons). Jan. 31 to Feb. 12, via Chicago, c/o Sheraton Hotel, Chicago, Ill.; Savoy Hotel, N.Y. Itinerary: Chicago, New York. Will be traveling to other cities as contacts are established. WTD 1/4/65.

Construction Projects

Reports from overseas on late building and construction

CHILE—(100 escudos = $51.81). New Government's Minister of Public Works recently announced a **housing plan** to benefit low income groups. About 360,000 houses will be built in six years. An estimated 46,000 units scheduled for this year's construction will have these sources:

CORVI—The State housing agency—completion of housing already initiated or already planned, 65,000 units; new construction for its own account and that of other institutions, 10,000 units, construction of "minimal dwellings" 11,200 units; construction under CORVI loans, 2500 units; construction under bonus system for houses built without public credit, 1000 units.

Construction by cooperatives, 5000 units.

Construction by savings and loan system and private sector, 10,000 units.

The State will establish a Ministry of Housing and Urbanization to coordinate and direct the housing policy and to plan and distribute resources for construction of houses and necessary services. This ministry will be decentralized; it will work with municipalities in areas where they have primary responsibility and will include these agencies in the housing field: CORVI; Central Savings and Loan Bank; Corporation for Housing Assistance (to be formed); Corporation for Urban Development (to be formed) and a special technical and consulting department (to be formed). New taxes or reallocation of tax revenues into special accounts will provide larger budgets for these agencies.

Write: The Hon. Sr. Modesto Collados, Minister of Public Works, Ministry of Public Works, Santiago.

GREECE—(100 drachmas=$3.35). The **Port of Thessaloniki** in northern Greece anticipates a **$3-million expansion project.** About $1 million would be spent for port handling equipment, the remainder for construction, including extension of present breakwater and additional piers and warehouses as well as improvement of existing facilities. Although final plans have not been completed, interest has been expressed in tentative offers from U.S. firms for stationary and mobile cranes, conveyors and lifting and loading equipment. **Write:** Vasilios Petrides, President, Free Zone & Port of Thessaloniki, Thessaloniki.

PERU—(100 soles = $3.73). Kellogg International Corp. & Assoc. was awarded the contract for construction of a **15,000 b/d refinery** for the government-owned Empresa Petrolera Fiscal. New refinery, La Pampilla, will be located just north of Lima. Kellogg had entered low bid of $10.6 million with equipment to be procured from non-U.S. sources and an alternative bid for $11.2 million, offering U.S. financing and U.S. equipment. The three losing bidders were a Japanese combine of Marubeni and Japanese Gasoline Corp., Arthur G. McKee Co. (USA) and Procan, from France.

PHILIPPINES—(100 pesos = $27.03). The National Power Corp. recently announced extensive plans for **expansion of** its **electric power generating and distributing system.** Many of NPC's projects are still in early planning stages.

Plans for this year include the expenditure of P33,290,000 for four major projects. In addition, several other projects are scheduled to be completed before 1972 which will quadruple NPC's installed generating capacity.

Underway or scheduled to begin shortly are these major projects:

a) Units 3 and 4 of the **Maria Chistina hydro plant** (Agus River Project No. 6). Unit 4 will be constructed upon completion of unit 3, now in progress. Unit 5 is also being planned and is scheduled for 1966. All units will have 50,000 kw. Next year, NPC will construct water control works in Lake Lanao, source of the Agus River.

b) **Bataan I Project:** Construction of a 75,000 kw thermal power plant at Limay, Bataan; estimated initial expense, P 7,020,000. Negotiations for financing are reportedly underway with an international lending institution. A second 75,000 kw thermal plant, Bataan II, is scheduled for completion by 1970.

c) **Extension of transmission lines** to the Province of Ilocos Norte (cost P2,200,000) is planned for this year.

d) **Southern Luzon Stage 1** Project: extension of transmission lines to Quezon Province (cost P2,200,000), is also planned for this year.

NPC also plans to construct six other hydroelectric projects with 345,000 kw total capacity, scheduled for completion in 1972. **Write:** Jose O. Lahoz, General Manager, National Power Corp., Manila.

SOUTH AFRICA—(1 rand = $1.40). South Africa's Minister of Transport announced recently that a **four-stage harbor expansion program for** Cape Town would begin this year. The port's ship-handling capacity will be increased by 75%.

First stage at a R29-million cost will include:

New breakwater construction from present harbor entrance parallel to coast along Paarden Eiland area will cut off part of Table Bay and shelter new quays extending from Woodstock Beach.

A quay with six fully equipped berths for ocean going ships and construction of part of the breakwater. Only three berths will be fitted at first; the other three as demand for berthing increases. The entire project calls for 22 new berths, 18 to be equipped for freight handling, with cranes, railway and other facilities. General depth alongside new berths will be 42 feet and an entrance depth of 46 feet. Plan involves, in some places, dredging from a depth of 20 feet to the desired 42. **Write:** Ministry of Transport, Pretoria.

SYRIAN ARAB REPUBLIC—(IS£ = 26¢). It has been reported that a **third sugar beet factory** will be built near the village of Frayki, in the vicinity of Jisr al-Shughur. Sugar beet cultivation in the area will be encouraged to ensure an adequate supply of raw material for the new factory which will have assistance from Czechoslovakia.

The Director General of the Defense Industries Organization has announced an agreement with a British firm to establish a **factory** for production of various kinds of batteries by the end of 1965. Expected annual capacity is 10 million units. Project will cost about S£4.5 million.

TURKEY—(100 lire = $11.11). The Ministry of Power & Natural Resources, General Directorate of State Hydraulic Works, has issued preselection notice of bidders for construction of the **Keban Dam** and **Hydroelectric Power Plant,** to be located on the Euphrates River 45 km west of the city of Elâzig and in the vicinity of Keban Town. Contract will be awarded on international competitive bidding basis.

Project main structures are: A rock-fill dam 205 meters (672 feet) high above foundation and a hydroelectric power plant (initial installed 620,000 kw capacity, consisting of 4 units, a spillway, switchyard and appurtenant structures, with future expansion to eight units.

Main work items are: 11,400,000.m3 rolled rockfill; 1,550,000.m3 clay fill; 1,100,000.m3 filter fill; 620,000.m3 cofferdam fill; 1,000,000.-m3 concrete and related excavation work. Construction of two diversion tunnels 16.5m clear diameter and 1.420m total length has already been considered under provisions of a separate contract.

Interested U.S. bidders should apply to the address given below for preselection not later than March 25. Adequate information, publications and documents should be provided by applicants about their qualifications to perform this work, especially for work performed and being performed from 1950 to the present, including projects constructed, commencement and completion dates, scope and owner. In particular, information should be given about work performed of a similar nature; experience record of firm's key management personnel; firm's capital and annual transactions; bank references and capacity of firm's present construction equipment stock.

Details of the project are available from The General Directorate of State Hydraulic Works, Dams & Hydroelectric Power Plants Division, Ruzgarli Sokak, Capital Han, Ulus, Ankara.

Quarterly summary ready

A quarterly summary of planned construction projects, contract award stories and significant foreign government engineering or construction tenders published in INTERNATIONAL COMMERCE and COMMERCE BUSINESS DAILY during Oct., Nov. and Dec. 1964 is available to U.S. firms from the Department of Commerce, BDSA-6192, 14th & Constitution Ave. NW., Washington, D.C. 20230. A pre-addressed mailing label should be included with the request. The Summary may also be seen at any of the 42 Department of Commerce Field Offices.

The Summary lists countries alphabetically, project categories within countries, names and addresses of contacts and citations of original publication dates. Only a limited supply is available. Requests will be filled as long as the supply lasts.

New Books and Reports

***Overseas Business Reports.* U.S. Dept. of Commerce. Washington, 1964. $18 per year ($12 additional for overseas mailing), 15 cents per copy. Order from any Commerce Field Office or the Supt. of Documents, GPO, Wash., D.C., 20402.**

Selling in the Netherlands. OBR 64-133. 16pp. Lists Dutch import channels, import requirements, describes industrial property rights, distribution practices, port and storage facilities, commercial practices, terms of payment, wholesale and retail channels, marketing aids, U.S. export credit insurance and gives tips to business travelers.

Selling in India: Government Procurement Procedures. OBR 64-134. 16pp. Outlines Indian import channels, methods of doing business, and import controls. Lists principal Indian Government purchasing agencies and gives aids to marketing and some Indian business customs. Describes procedures for selling under U.S. assistance programs to India. Appendices contain samples of documents required by India from suppliers, and list shipping lines to India.

Basic Data on the Economy of Paraguay. OBR 64-135. 12pp. Describes Paraguay's economic structure, resources, private investment, development programs and foreign trade.

Foreign Trade Regulations of France. OBR 64-136. 9pp. Summarizes French trade policy, import tariff system, basis of duty assessment, customs surcharges, sales and other internal taxes, shipping documents, labeling and marking requirements, special customs provisions, nontariff import controls, France's export controls, and U.S. controls governing trade with France.

Foreign Trade Regulations of Norway. OBR 64-137. 8pp. Contains the same sort of information as OBR 64-136, above.

Foreign Trade Regulations of Italy. OBR 64-139. 7pp. Contains the same sort of information as OBR 64-136, above.

***Denmark: an Official Handbook.* Published by the Press and Information Dept. of the Ministry of Foreign Affairs. Copenhagen, 1964. 889 pp. $6.67 (46 Danish Kroner).**

A concise and accurate reference source for the businessman. Topics covered include the Government and Administration, foreign and domestic affairs, the Law, public finance, housing and planning, transport and communications, currency, weights and measures, trade and industry, manpower and employment, and living standards. A valuable tool for anyone traveling to or doing business in Denmark.

Write: Krak, 17 Nytorv, Copenhagen K., Denmark.

Subscribers to this magazine may obtain without charge a single copy of an Overseas Business Report described in this issue by making a specific written request, including the OBR number, to the Bureau of International Commerce, Office of Publications and Information, U.S. Department of Commerce, Washington, D.C. 20230

Such requests must be received not more than 15 days after the publication date of the issue of *International Commerce* in which the requested OBR was listed.

***1963 World Trade Annual. (4 vol.)* Prepared by the United Nations. Published by Walker and Company. New York, January 1965. $75 for the 4-volume set. Volumes can be purchased individually.**

Designed to provide complete, detailed trade information, commodity by commodity, country by country, for international business and research.

The United Nations has arranged with 2 U.S. publishing firms to make available to all business enterprises, all the information on commodity imports and exports covering the principal flows of world trade. The volumes are organized according to the Standard International Trade Classification (SITC) and over 7 million items of trade data have been processed in supplying patterns of world trade for 1,312 SITC headings.

Volume 1 covers food, beverages and tobacco, crude material, inedible, except fuels; and animal and vegetable oils and fats. Volume 2 is devoted to mineral fuels, lubricants and related materials; and chemicals. Volume 3 deals with manufactured goods other than food, fuels, chemicals, machinery and transport equipment. The last volume covers machinery, equipment, commodities and transactions not classified according to kind.

Write: Walker & Company, 10 West 56th Street, New York, N.Y. 10019.

***Spain: Opportunities for Business and Trade.* Published by the Institute of American Business. New York, 1964. 100 pp. $5 to U.S. companies ($5 additional for foreign mailing).**

This Analysis and Report on Opportunities for Business and Trade by Americans with Spain is based (1) in part upon the Spanish Four Year Plan for Economic Development covering 1964-67 and (2) upon supplementary information provided by Spanish banks and financial institutions, and by both American and Spanish governmental sources.

It describes in 10 sections the opportunities presented to American companies by a Spain coming out of 20 years of economic seclusion, and covers the fields of food and agriculture, manufacturing, transportation, telecommunications, electricity and electronics, construction, housing, public works, urbanization, iron, steel and nonferrous metals, chemicals, pharmaceuticals, plastics and related industries, including machinery and equipment needed for manufacturing, processing and operating these various fields.

A table lists imports totaling over $10.1 billion contemplated by Spain during the four-year period. Summary of the Spanish Market and United States financing of Spanish projects. The book also contains 16 interpretive appendixes and 22 detailed lists of U.S. products, wanted by Spanish Buyers for direct purchase, agencies, joint ventures and technical know-how.

Write: The Institute of American Business, 50 East 42nd Street, New York, N.Y. 10017.

***Poor's Register of Corporations, Directors and Executives in the United States and Canada: 1965.* Published by Standard and Poor's Corporation. New York, 1965. 3,241 pp. $84.**

The 1965 edition contains more than 450,000 corrections and additions to last year's listings of major corporations and their policy-forming personnel. An invaluable tool for doing business in the U.S. and Canada. A 93-page geographical index in booklet form accompanies the directory, giving a geographical breakdown of all firms listed in the main volume.

Write: Standard and Poor's Corporation, 345 Hudson Street, New York, N.Y. 10014, or any Standard and Poor branch office throughout the country.

☆ U. S. GOVERNMENT PRINTING OFFICE: 1965—781050/29

Calendar *for international traders*

February

1—Export Training Course, 1st of nine weekly sessions, Rutgers Newark Extension, **Newark, N.J.** Sponsors: Rutgers University; REEC; Field Office, Department of Commerce; New Jersey Department of Conservation and Economic Development.

1—Businessmen's consultations with members, U.S. Trade Mission to Yugoslavia, Stratfield Motor Hotel, **Bridgeport, Conn.** Sponsors: Chamber of Commerce; Export Managers Club; Field Office, Department of Commerce.

1-2—Conference/consultation on "Doing Business with Mexico" with Gilbert E. Larson, Commercial Attache, Mexico City, Field Office, **St. Louis.**

1-6—1965 New England Industrial Trade Fair, Suffolk Downs, **Boston.** Sponsors: New England Council; Harvard University Graduate School of Business Administration; Boston University College of Business Administration; Chamber of Commerce; Boston Herald-Traveler.

3—Annual Convention, Chemical Market Research Assn, Shamrock Hotel, **Houston, Texas.** Speaker: Claude W. Courand, Bureau of International Commerce.

3—International Traders Club, Scranton Chamber of Commerce, luncheon meeting, Chamber of Commerce Bldg., **Scranton, Pa.**

4—Union Carbide International Co. Council of International Marketing Research and Planning Directors, meeting, Harvard School of Business, **Cambridge, Mass.** Speaker: F. D. Hockersmith, Bureau of International Commerce.

4—"First-Step" Export Workshop, Field Office, **Memphis, Tenn.** Sponsors: REEC; Field Office, Department of Commerce.

4—Export Expansion Conference on "Why and How To Get Started In Export," Manufacturers National Bank, **Detroit.** Sponsors: Manufacturers National Bank of Detroit; Field Office, Department of Commerce; REEC.

4—Seminar on Doing Business in Latin America, Bellevue Stratford Hotel, **Philadelphia.** Sponsor: Philadelphia Bar Assn.

4-5—Conference/consultation on "Doing Business with Mexico" with Gilbert E. Larson, Commercial Attache, Mexico City, Field Office, **Chicago.**

9—Mid Gulf Conference on Transportation and Industrial Modernization, Royal Orleans Hotel, **New Orleans.** Speakers: George Donat, BDSA Administrator; Nicholas Johnson, Maritime Administrator.

9—Automotive Exporters' Club of Chicago, Builders Bldg. **Chicago.**

9—In Office Workshop for new exporters, Federal Bldg., **Kansas City, Mo.** Sponsors: REEC; Field Office, Department of Commerce.

9—Businessmen's consultations with members, U.S. Trade Mission to Spain, Field Office, **Atlanta, Ga.**

9—"Show You" In-Office Workshop on Export Expansion, Field Office, **St. Louis.** Sponsors: REEC; World Trade Club.

9—South Florida REEC, regular monthly meeting, 12 Noon, **Coral Gables, Fla.**

9—Foreign Credit Club, Credit Management Assn. of Delaware Valley, dinner meeting, Vesper Club, **Philadelphia.**

9—Export Expansion Seminar, **Orlando, Fla.** Sponsors: REEC; Mid-Florida Technical Institute; Field Office, Department of Commerce.

9-11—1965 International Automotive Service Industries Show, McCormick Place, **Chicago.**

10—In-Office meeting, Field Office, **Chicago.**

10—In-Office Export Conference, Field Office, **Minneapolis.** Sponsors: Field Office, Department of Commerce; REEC.

10—Minnesota World Trade Assn., monthly dinner meeting, Hotel Radisson, **Minneapolis.** Speaker: Neil Hurley, Chairman, National Export Expansion Council.

10—National Assn. of Food Equipment Manufacturers, Diplomat Hotel, **Hollywood, Fla.** Speaker: James E. Murrin, Bureau of International Commerce.

10—New York Board of Trade, International Section, luncheon meeting, 12 Noon, Hotel Statler Hilton, **New York.**

11—International Trade Club of Chicago, 12:15 P.M., Pick Congress Hotel, **Chicago.**

11—Export Expansion Conference on "Why and How To Get Started In Export," Manufacturers National Bank, **Detroit.** Sponsors: Manufacturers National Bank of Detroit; Field Office, Department of Commerce; REEC.

11—In-Office Export Conference, 10:30 A.M., Field Office, **Miami.** Sponsors: Field Office, Department of Commerce; REEC.

15—Seminar-Conference, Hawaii Industrial Week, 8:30 A.M.-2:15 P.M., Princess Kaiulani Hotel, **Honolulu.** Sponsors: Hawaii Manufacturers Assn.; Chamber of Commerce of Honolulu; Hawaii State Department of Planning and Economic Development; Small Business Administration; Field Office, Department of Commerce. Speakers: Thomas G. Wyman, Assistant Secretary of Commerce for domestic and international business; Eugene P. Foley, SBA Administrator.

16—Export Expansion Seminar, **Orlando, Fla.** Sponsors: Central and North Florida REEC; Mid-Florida Technical Institute; Field Office, Department of Commerce.

17—Chicago-Midwest Credit Assn., LaSalle Hotel, **Chicago.**

17—In-Office Export Conference, Field Office, **Minneapolis.** Sponsors: Field Office, Department of Commerce; REEC.

17—Conference/consultation on "Doing Business in the Middle East" with Howard Zimmermann, Desk Officer, Israel-Middle East. Field Office, **St. Louis.**

18—In-Office "Profits in Exports" Conference, Field Office, **New York.** Sponsors: Manufacturers Surgical Trade Assn.; Field Office, Department of Commerce.

18—Export Expansion Conference on "Where the New Overseas Markets Are," Manufacturers National Bank, **Detroit.** Sponsors: Manufacturers National Bank of Detroit; Field Office, Department of Commerce; REEC.

19—Northwest Iowa World Trade Conference, **Sioux City, Iowa.** Speaker: Daniel L. Goldy, National Export Expansion Coordinator.

23—In Office Workshop for new exporters, Federal Bldg., **Kansas City, Mo.** Sponsors: REEC; Field Office, Department of Commerce.

23—"In-Office Workshop" on Export Expansion, Field Office, **Jacksonville, Fla.**

23—Export Expansion Seminar, **Orlando, Fla.** Sponsors: REEC; Mid-Florida Technical Institute; Field Office, Department of Commerce.

25—In-Office "Profits in Exports" Conference, Field Office, **New York.** Sponsors: Motor and Equipment Manufacturers Assn.; Field Office, Department of Commerce.

25—West Georgia Export Seminar, Columbus College, **Columbus, Ga.** Sponsors: Columbus College; Field Office, Department of Commerce; REEC; SBA.

25—Export Expansion Conference on "Where the New Overseas Markets Are," Manufacturers National Bank, **Detroit.** Sponsors: Manufacturers National Bank of Detroit; Field Office, Department of Commerce; REEC.

25—In-Office Export Conference, 10:30 A.M., Field Office, **Miami.** Sponsors: Field Office, Department of Commerce; REEC.

March

1-2—Chicago World Trade Conference, LaSalle Hotel, **Chicago.**

2—Export Expansion Seminar, **Orlando, Fla.** Sponsors: REEC; Mid-Florida Technical Institute; Field Office, Department of Commerce.

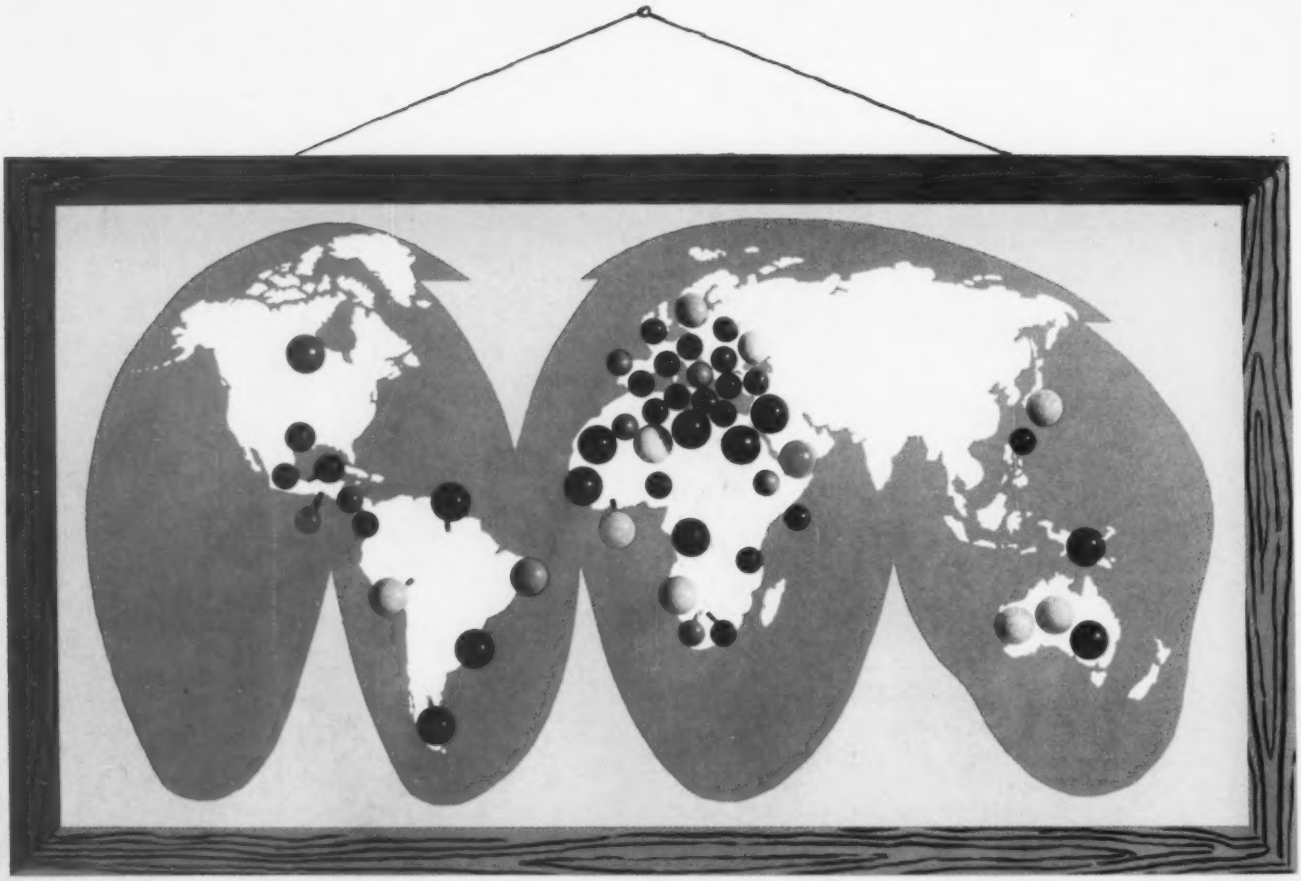
UNITE
GOVERNMENT
DIVISION OF PU
WASHINGTO

OFFICIAL

UNIVERSITY MICROFILMS INC
313 N FIRST STREET
ANN ARBOR MICHIGAN
CR MAY

PENALTY FOR PRIVATE USE TO AVOID
PAYMENT OF POSTAGE, $300
(GPO)

First-Class Mail



Looks like another good year for pins

Last year we helped U.S. firms locate several hundred agents and distributors abroad.

This year is starting out to be even better. See page 36 of this issue for places and dates where we'll be busy helping U.S. business toward greater penetration of new markets.

Then ask the Bureau of International Commerce or any Commerce Field Office to help you to expand your own network of outlets.

If our schedule of Trade Fairs, Trade Centers, Trade Missions and Sample Displays doesn't meet your needs, ask about a special survey to find your man.

U.S. DEPARTMENT OF COMMERCE / Bureau of International Commerce